



EXHIBIT 6

CALCULATION OF REVENUE DEFICIENCY OR SUFFICIENCY



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EXHIBIT 6: CALCULATION OF REVENUE DEFICIENCY OR SUFFICIENCY

PUC Distribution Inc. (“PUC”) revenue deficiency is \$3,918,555. This deficiency is calculated as the difference between the 2023 Test Year Revenue Requirement of \$27,752,199 and the Forecast 2023 Test Year Revenue, based on the 2022 approved rates, at \$23,833,644, which includes revenues related to ICM applications for PUC’s Substation 16 rebuild (“Sub 16”) and Sault Smart Grid (“SSG”) projects. Table 6-1 on the following page provides the revenue deficiency calculations. The table also includes the determination of net utility income, statement of rate base, the utility return on rate base at existing rates and the requested rate of return on rate base in this application. Further details on these items are provided in the pdf version of the Revenue Requirement Work Form (“RRWF”) filed as part of this Exhibit 6, Appendix A. A live Microsoft Excel version of the RRWF has also been filed with this Application.

Revenue Requirement

PUC’s Revenue Requirement consists of the following:

- Administrative & General, Billing & Collecting Expenses
- Operation & Maintenance Expenses
- Depreciation Expense
- Property Taxes
- PILs
- Deemed Interest & Return on Equity

PUC’s revenue requirement is primarily received through electricity distribution rates with supplemental revenue from Board-approved specific service charges such as late payment charges and other miscellaneous charges.

1

Table 6-1: Revenue Deficiency Calculation

Description	2023 Test Existing Rates	2023 Test Revenue Requirement
Revenue		
Revenue Deficiency		3,918,555
Distribution Revenue	21,083,379	21,083,379
Other Operating Revenue (Net)	2,750,265	2,750,265
Total Revenue	23,833,644	27,752,199
Costs and Expenses		
Administrative & General, Billing & Collecting	6,253,236	6,253,236
Operation & Maintenance	7,280,465	7,280,465
Donations - LEAP	31,144	31,144
Depreciation & Amortization	5,425,413	5,425,413
Property Taxes	384,446	384,446
Deemed Interest	3,089,225	3,089,225
Total Costs and Expenses	22,463,928	22,463,928
Utility Income Before Income Taxes	1,369,716	5,288,271
Income Taxes:		
Corporate Income Taxes	(464,276)	574,141
Total Income Taxes	(464,276)	574,141
Utility Net Income	1,833,991	4,714,129
Income Tax Expense Calculation:		
Accounting Income	1,369,716	5,288,271
Tax Adjustments to Accounting Income	(3,121,699)	(3,121,699)
Taxable Income	(1,751,984)	2,166,571
Income tax expense before credits	(464,276)	574,141
Credits	0	0
Income Tax Expense	(464,276)	574,141
Tax Rate Reflecting Tax Credits	26.50%	26.50%
Actual Return on Rate Base:		
Rate Base	136,089,188	136,089,188
Interest Expense	3,089,225	3,089,225
Net Income	1,833,991	4,714,129
Total Actual Return on Rate Base	4,923,216	7,803,354
Actual Return on Rate Base	3.62%	5.73%
Required Return on Rate Base:		
Rate Base	136,089,188	136,089,188
Return Rates:		
Return on Debt (Weighted)	3.78%	3.78%
Return on Equity	8.66%	8.66%
Deemed Interest Expense	3,089,225	3,089,225
Return On Equity	4,714,129	4,714,129
Total Return	7,803,354	7,803,354
Expected Return on Rate Base	5.73%	5.73%
Revenue Deficiency After Tax	2,880,138	0
Revenue Deficiency Before Tax	3,918,555	0

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Cost Drivers on Revenue Deficiency

Table 6-2 below outlines the contributors to the revenue deficiency by revenue requirement component. Column A is PUC’s 2018 approved amounts. Column B shows PUC’s revenue at existing rates, shown in Table 6-1, allocated to revenue requirement component based on the proportions in Column A. Column B estimates the revenue requirement components at existing rates based on the components assumed in existing rates. Column C lists the PUC’s proposed components. Finally, column D represents the difference between column C and column B, which provides an proxy of the revenue requirement components for the revenue deficiency of \$3,918,555.

Table 6-2: Revenue Deficiency by Revenue Requirement Component

Service Revenue Requirement	2018 Approved (A)	2023 Revenue at Existing Rates Allocated in Proportion to 2018 Approved (B)	2023 Proposed (C)	Revenue Deficiency (D) = (C) - (B)
Load Forecast				697,822
OM&A	11,176,156	12,480,163	13,533,701	1,053,537
Return on Rate Base	5,978,287	6,675,819	7,803,354	1,127,535
Depreciation	3,859,626	4,309,958	5,425,413	1,115,455
Property Tax	343,477	383,553	384,446	893
PILs	586,716	655,173	574,141	(\$81,031)
LEAP	24,000	26,800	31,144	4,344
Total	21,968,262	24,531,466	27,752,199	3,918,555
				Difference (D) = (C) - (A)
Rate Base	99,658,054		136,089,187	36,431,133

1 **Load Forecast - \$697,822**

2

3 PUC's Load Forecast has decreased since its last COS application contributing \$697,822 to the
 4 total revenue deficiency of \$3,918,555. The following table 6-3 compares the 2023 revenue at
 5 existing rates using the 2018 Load Forecast to the 2023 Load Forecast. The revenue deficiency
 6 includes the calculation of revenue from PUC's ICM applications for Sub 16 and SSG.

7

8

Table 6-3: Revenue Deficiency from Load Forecast

Rate Class		2018 Board Approved Load Forecast	2023 Proposed Load Forecast	2022 Rates			2023 Distribution Revenue at 2018 Board Approved Load Forecast		2023 Distribution Revenue at 2023 Proposed Load Forecast	
				Fixed	Variable	Fixed	Variable	Fixed	Variable	
Residential	Customers	29,816	30,340	Service Charge	33.72		\$ 12,064,746		\$ 12,276,778	
	kWh	288,323,799	274,738,681	ICM Sub 16	0.39		\$ 139,539		\$ 141,991	
	kW			ICM Smart Grid	1.43		\$ 511,643		\$ 520,634	
						\$ 12,715,928		\$ 12,939,403		
GS<50	Customers	3,431	3,400		Fixed	Variable				
	kWh	92,411,463	79,051,528	Service Charge	22.32	0.0268	\$ 918,959	\$ 2,476,627	\$ 910,656	\$ 2,118,581
	kW			ICM Sub 16	0.26	0.0003	\$ 10,705	\$ 27,723	\$ 10,608	\$ 23,715
						\$ 39,113	\$ 101,653	\$ 38,760	\$ 86,957	
						\$ 968,777	\$ 2,606,003	\$ 960,024	\$ 2,229,253	
GS>50	Customers	357	344		Fixed	Variable				
	kWh	244,620,697	221,450,388	Service Charge	123.27	7.2479	\$ 528,089	\$ 4,455,596	\$ 508,859	\$ 3,969,583
	kW	614,743	547,687	ICM Sub 16	1.41	0.0832	\$ 6,040	\$ 51,147	\$ 5,820	\$ 45,568
						\$ 22,448	\$ 189,464	\$ 21,631	\$ 168,797	
						\$ 556,577	\$ 4,696,206	\$ 536,310	\$ 4,183,948	
Sentinel	Customers	354	317		Fixed	Variable				
	kWh	209,800	193,841	Service Charge	3.83	35.7037	\$ 16,270	\$ 21,172	\$ 14,569	\$ 20,217
	kW	593	566	ICM Sub 16	0.04	0.4096	\$ 14	\$ 243	\$ 152	\$ 232
						\$ 57	\$ 900	\$ 609	\$ 860	
						\$ 16,341	\$ 22,315	\$ 15,330	\$ 21,309	
Street	Customers	8,070	8,037		Fixed	Variable				
	kWh	2,398,221	2,459,994	Service Charge	1.47	9.6161	\$ 142,355	\$ 67,601	\$ 141,773	\$ 69,237
	kW	7,030	7,200	ICM Sub 16	0.02	0.1103	\$ 1,937	\$ 775	\$ 1,929	\$ 794
						\$ 5,810	\$ 2,875	\$ 5,787	\$ 2,944	
						\$ 150,102	\$ 71,251	\$ 149,488	\$ 72,975	
USL	Customers	22	25		Fixed	Variable				
	kWh	944,731	878,528	Service Charge	13.67	0.0412	\$ 3,609	\$ 38,923	\$ 4,101	\$ 36,195
	kW			ICM Sub 16	0.16	0.0005	\$ 42	\$ 472	\$ 48	\$ 439
						\$ 153	\$ 1,701	\$ 174	\$ 1,581	
						\$ 3,804	\$ 41,096	\$ 4,323	\$ 38,216	
				Service Charge			\$ 13,674,027	\$ 7,059,919	\$ 13,856,735	\$ 6,213,813
				ICM Sub 16			\$ 158,277	\$ 80,361	\$ 160,549	\$ 70,748
				ICM Smart Grid			\$ 579,224	\$ 296,592	\$ 587,594	\$ 261,139
							\$21,848,401		\$21,150,579	
				Revenue Deficiency From Load Forecast						-\$697,822

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10

1 **OM&A - \$1,053,537**

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3 PUC's increase to OM&A includes a combination of inflationary increases, additional staffing
4 requirements for SSG and increased costs from the shared cost allocation review. PUC is
5 managing incremental costs arising from other priority requirements including its Green Button
6 implementation, Cyber Security and additional performance benchmarking activities. The
7 following Table 6-4 breaks down each component with a reference to where the explanation is
8 located in Exhibit 4.

9
10 **Table 6-4: Revenue Deficiency from OM&A**

Total Revenue Deficiency Related to OM&A	\$1,053,537	Reference
Increase in OM&A due to Inflation	\$447,630	Trend Comparison
Cost Allocation Review, SSG Staffing, Regulatory (Green Button/APB Benchmarking) and Cyber	\$605,907	Ex. 4.1.2 Associated Cost

11
12

13 **Return on Rate Base - \$1,127,535 and Depreciation \$1,115,455**

14
15 PUC had an increase to rate base that was larger than normal due to the approved ICM
16 applications. The inclusion of Sub 16, SSG, other 2018-2022 capital additions, and 2023 test year
17 capital additions has caused a substantial increase to rate base and overall net book value which
18 is summarized in Table 6-5. This was slightly offset by reduced rates for the cost of capital
19 parameters as compared to the 2018 Board Approved application shown in Table 6-6.

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Table 6-5: Increase in Net Book Value of Rate Base

	Gross Capital Beginning	Gross Capital End	Acc Dep Beg	Acc Dep End	Average Net Book Value
Sault Smart Grid	\$ 21,357,909	\$ 21,357,909	\$ (300,244)	\$ (900,732)	\$ 20,757,421
Substation 16	\$ 6,020,120	\$ 6,020,120	\$ (225,754)	\$ (376,257)	\$ 5,719,114
Gross Capital Additions 5 years	\$ 28,193,730	\$ 28,193,730	\$ (1,881,118)	\$ (2,700,510)	\$ 25,902,916
2023 Capital Additions	\$ -	\$ 10,113,371	\$ -	\$ (94,353.00)	\$ 5,009,509
Existing Rate Base	\$ 106,264,141	\$ 106,264,141	\$ (31,516,806)	\$ (34,925,626)	\$ 73,042,925
Net Book Value	\$ 161,835,899	\$ 171,949,270	\$ (33,923,922)	\$ (38,997,478)	\$ 130,431,884
				Working Capital Allowance	\$ 5,657,302
				2023 Proposed Rate Base	\$ 136,089,186

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3

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Table 6-6: Cost of Capital Parameters

	2018 Board Approved	2023 Test Year Proposed	Change
Long Term Debt	4.12%	3.97%	(0.15%)
Short Term Debt	2.29%	1.17%	(1.12%)
ROE	9.00%	8.66%	(0.34%)
Weighted Debt Rate	4.00%	3.78%	(0.22%)
Regulated Rate of Return	6.00%	5.73%	(0.27%)

5

6

Payment In Lieu of Taxes ("PILS") – (\$81,031)

8

9 PILS has decreased since the 2018 Board Approved year due to higher projected adjustments to
 10 accounting income in the 2023 test year. Adjustments to accounting income are higher because
 11 PUC did not fully utilize previous loss carry forwards as part of its 2018 COS application due to a
 12 smaller ROE in 2018 and the effect of accelerated CCA. As explained in section 2.6.2.1, PUC did
 13 use account 1592 PILS and Tax Variance - CCA to capture the effects of accelerated CCA, however
 14 the basis of the entry used actual 2018 capital additions for all years from 2018-2022. Therefore,
 15 the difference between each years' actual additions and 2018 actual additions, that formed the
 16 basis of the CCA entry, is captured in PUC's loss carry forward balance. In 2021 and 2022, PUC

1 had increased capital additions of \$6,020,119 for Sub 16 and \$21,357,909 for SSG respectively.
2 This created additional loss carry forwards beyond the 1592 PILS and Tax Variance – CCA.

3
4 Also outlined in section 2.6.2.1 PUC is proposing a refund of the loss carry forwards to customers
5 through a rate rider which keeps the adjustments to accounting income in the 2023 Test year at
6 \$3,121,699.

7
8 **LEAP - \$4,344**

9
10 PUC’s distribution revenue has increased from \$21,888,966 to \$27,952,199 causing an increase
11 in LEAP of \$7,276 from 2018 Board Approved amount. Table 6-7 shows a summary of this
12 increase. LEAP is a direct function of the other components of revenue requirement since its
13 required that LDC’s donate 0.12% of their base revenue requirement. This makes the LEAP
14 deficiency \$4,344. LEAP will change as the revenue requirement gets updated throughout the
15 application process. The line that indicates amount used is shown through the application and
16 will be updated during the IR phase to \$33,543.

17
18 **Table 6-7: Revenue Deficiency from LEAP**

Year	Revenue Requirement	LEAP %	LEAP Amount
2018	\$21,888,966	0.12%	\$26,267
2023	\$27,952,199	0.12%	\$33,543
Amount Used			\$31,144
Revenue Deficiency from LEAP			\$7,276

19
20
21 **6.1 REVENUE REQUIREMENT WORK FORM**

22
23 PUC has completed the 2023_Rev_Reqt_Workform and filed it in Excel live format and as
24 Appendix A to this application. Table 6-8 below is a snapshot of the revenue
25 deficiency/sufficiency calculation.

1

Table 6-8 Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application	
		At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$3,918,555
2	Distribution Revenue	\$21,083,379	\$21,083,379
3	Other Operating Revenue	\$2,750,265	\$2,750,265
	Offsets - net		
4	Total Revenue	\$23,833,644	\$27,752,199
5	Operating Expenses	\$19,374,704	\$19,374,704
6	Deemed Interest Expense	\$3,089,225	\$3,089,225
8	Total Cost and Expenses	\$22,463,928	\$22,463,928
9	Utility Income Before Income Taxes	\$1,369,716	\$5,288,271
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$3,121,699)	(\$3,121,699)
11	Taxable Income	(\$1,751,984)	\$2,166,571
12	Income Tax Rate	26.50%	26.50%
13	Income Tax on Taxable Income	(\$464,276)	\$574,141
14	Income Tax Credits	\$ -	\$ -
15	Utility Net Income	\$1,833,991	\$4,714,130
16	Utility Rate Base	\$136,089,188	\$136,089,188
17	Deemed Equity Portion of Rate Base	\$54,435,675	\$54,435,675
18	Income/(Equity Portion of Rate Base)	3.37%	8.66%
19	Target Return - Equity on Rate Base	8.66%	8.66%
20	Deficiency/Sufficiency in Return on Equity	-5.29%	0.00%
21	Indicated Rate of Return	3.62%	5.73%
22	Requested Rate of Return on Rate Base	5.73%	5.73%
23	Deficiency/Sufficiency in Rate of Return	-2.12%	0.00%
24	Target Return on Equity	\$4,714,129	\$4,714,129
25	Revenue Deficiency/(Sufficiency)	\$2,880,138	\$0
26	Gross Revenue Deficiency/(Sufficiency)	\$3,918,555 ⁽¹⁾	

2

1 The following Table 6-9 shows the calculation of Bridge Year forecast revenues at existing rates,
 2 and the Test Year forecasted revenue at existing and proposed rates.

3
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Table 6-9: Revenue at Existing and Proposed Rates

Rate Class	2022 Rates			2022 Distribution Revenue at Existing Rates		2023 Distribution Revenue at Existing Rates		2023 Distribution Revenue at Existing Rates	
		Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable
Residential	Service Charge	33.72		\$ 12,235,062		\$ 12,276,778		\$ 12,064,746	
	ICM Sub 16	0.39		\$ 141,509		\$ 141,991		\$ 139,539	
	ICM Smart Grid	1.43		\$ 518,865		\$ 520,634		\$ 511,643	
				\$ 12,895,436		\$ 12,939,403		\$ 12,715,928	
GS<50		Fixed	Variable						
	Service Charge	22.32	0.0268	\$ 909,802	\$ 2,317,771	\$ 910,656	\$ 2,118,581	\$ 918,959	\$ 2,476,627
	ICM Sub 16	0.26	0.0003	\$ 10,598	\$ 25,945	\$ 10,608	\$ 23,715	\$ 10,705	\$ 27,723
	ICM Smart Grid	0.95	0.0011	\$ 38,724	\$ 95,132	\$ 38,760	\$ 86,957	\$ 39,113	\$ 101,653
			\$ 959,124	\$ 2,438,849	\$ 960,024	\$ 2,229,253	\$ 968,777	\$ 2,606,003	
GS>50		Fixed	Variable						
	Service Charge	123.27	7.2479	\$ 515,300	\$ 4,137,786	\$ 508,859	\$ 3,969,583	\$ 528,089	\$ 4,455,596
	ICM Sub 16	1.41	0.0832	\$ 5,894	\$ 47,498	\$ 5,820	\$ 45,568	\$ 6,040	\$ 51,147
	ICM Smart Grid	5.24	0.3082	\$ 21,905	\$ 175,950	\$ 21,631	\$ 168,797	\$ 22,448	\$ 189,464
			\$ 543,099	\$ 4,361,234	\$ 536,310	\$ 4,183,948	\$ 556,577	\$ 4,696,206	
Sentinel Light		Fixed	Variable						
	Service Charge	3.83	35.7037	\$ 14,870	\$ 20,720	\$ 14,569	\$ 20,217	\$ 16,270	\$ 21,172
	ICM Sub 16	0.04	0.4096	\$ 155	\$ 238	\$ 152	\$ 232	\$ 14	\$ 243
	ICM Smart Grid	0.16	1.5182	\$ 621	\$ 881	\$ 609	\$ 860	\$ 57	\$ 900
			\$ 15,647	\$ 21,839	\$ 15,330	\$ 21,309	\$ 16,341	\$ 22,315	
Street Light		Fixed	Variable						
	Service Charge	1.47	9.6161	\$ 141,773	\$ 69,237	\$ 141,773	\$ 69,237	\$ 142,355	\$ 67,601
	ICM Sub 16	0.02	0.1103	\$ 1,929	\$ 794	\$ 1,929	\$ 794	\$ 1,937	\$ 775
	ICM Smart Grid	0.06	0.4089	\$ 5,787	\$ 2,944	\$ 5,787	\$ 2,944	\$ 5,810	\$ 2,875
			\$ 149,488	\$ 72,975	\$ 149,488	\$ 72,975	\$ 150,102	\$ 71,251	
Unmetered Scatted Load		Fixed	Variable						
	Service Charge	13.67	0.0412	\$ 4,030	\$ 36,183	\$ 4,101	\$ 36,195	\$ 3,609	\$ 38,923
	ICM Sub 16	0.16	0.0005	\$ 47	\$ 439	\$ 48	\$ 439	\$ 42	\$ 472
	ICM Smart Grid	0.58	0.0018	\$ 171	\$ 1,581	\$ 174	\$ 1,581	\$ 153	\$ 1,701
			\$ 4,248	\$ 38,203	\$ 4,323	\$ 38,216	\$ 3,804	\$ 41,096	
Total	Service Charge			\$ 13,820,838	\$ 6,581,697	\$ 13,856,735	\$ 6,213,813	\$ 13,674,027	\$ 7,059,919
	ICM Sub 16			\$ 160,132	\$ 74,915	\$ 160,549	\$ 70,748	\$ 158,277	\$ 80,361
	ICM Smart Grid			\$ 586,072	\$ 276,488	\$ 587,594	\$ 261,139	\$ 579,224	\$ 296,592
				\$ 21,500,141		\$ 21,150,579		\$ 21,848,401	

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6.2 TAXES OR PAYMENT IN LIEU OF TAXES (PILS) AND PROPERTY TAXES

PUC is subject to PILS under Section 93 of the Electricity Act, 1998, as amended. PUC does not pay Section 89 proxy taxes and is exempt from the payment of income and capital taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act. A copy of the 2021 Federal T2 Corporate Income Tax Return has been provided in Appendix B to this Exhibit.

PUC confirms that the financial statements filed with its 2021 corporate income tax returns are the same as the 2021 audited financial statements filed with this application.

In accordance with the filing instructions, PUC has completed the Board's PILS Work Form, Version 1.00 and has filed this model in live excel format and as Appendix C.

6.2.1 PILS for the 2023 Test Year

The 2023 Test Year's PILS have been calculated at \$498,389. The details of the calculations are in the Income Tax/ PILS Work Form in Appendix C.

The 2023 Test Year PILS have been determined by applying substantively enacted 2023 tax rates against Taxable Income. The 2023 Taxable Income amount has been determined by taking Utility Income before Taxes and applying Schedule 1 corporate tax adjustments to this number.

6.2.2 Utility Income Before Taxes

This is calculated based on the 2023 expected total revenues less the 2023 expected cost and expenses. The Utility income before taxes in 2023 is \$5,288,271. The details of this calculation can be found in Table 6-10.

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Table 6-10: Utility Income Before Taxes

Description	2023 Test Revenue Requirement
Revenue	
Revenue Deficiency	3,918,555
Distribution Revenue	21,083,379
Other Operating Revenue (Net)	2,750,265
Total Revenue	27,752,199
Costs and Expenses	
Administrative & General, Billing & Collecting	6,253,236
Operation & Maintenance	7,280,465
Donations - LEAP	31,144
Depreciation & Amortization	5,425,413
Property Taxes	384,446
Deemed Interest	3,089,225
Total Costs and Expenses	22,463,928
Utility Income Before Income Taxes	5,288,271

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6.2.3 Tax Adjustments

Tax adjustments are made for both temporary and permanent differences and reserves. Significant temporary differences included are the differences between depreciation for accounting purposes versus capital cost allowance (CCA) for tax purposes.

The tax provision for the 2023 Test Year is detailed in Table 6-11 as follows:

1

Table 6-11: PILS Tax Provision 2023 Test Year

PILs Tax Provision - Test Year

					Wires Only
Regulatory Taxable Income					I1
					\$ 1,351,968
	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	11.5%	\$ 155,476	11.5%	B
Federal (Max 15%)	15.0%	15.0%	\$ 202,795	15.0%	C
Combined effective tax rate (Max 26.5%)					26.50%
Total Income Taxes					\$ 358,271
Investment Tax Credits					
Miscellaneous Tax Credits					
Total Tax Credits					\$ -
Corporate PILs/Income Tax Provision for Test Year					\$ 358,271
Corporate PILs/Income Tax Provision Gross Up ¹				73.50%	J = 1-D
					\$ 129,173
Income Tax (grossed-up)					\$ 487,444

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4 **6.2.4 Expected 2023 Tax Rates**

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6 PUC used a combined income tax rate of 26.50% for the 2023 Test Year as presented in Table 6-
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Table 6-12: Corporate Tax Rates

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Corporate Tax Rates for Tax Year:	2022 Bridge	2023 Test
Federal Income Tax	15.00%	15.00%
Ontario Income Tax	11.50%	11.50%
Combined Income Tax	26.50%	26.50%

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13 **Tax Calculation**

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15 The following Table 6-13 presents the tax calculation for the 2023 Test Year.

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Table 6-13: Tax Calculation 2023 Test Year

Taxable Income - Test Year

		Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		<u>A</u>	4,714,129
	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104		5,425,413
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106		
Recapture of capital cost allowance from Schedule 8	107	<u>T8</u>	0
Tax reserves beginning of year	125	<u>T13</u>	0
Reserves from financial statements - balance at end of year	126	<u>T13</u>	350,000
Total Additions			5,775,413
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	<u>T8</u>	8,648,021
Terminal loss from Schedule 8	404	<u>T8</u>	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	<u>T13</u>	0
Reserves from financial statements - balance at beginning of year	414	<u>T13</u>	350,000
Amortization of Contributed Capital			351,857
Adjustment for Bill C-97 CCA Smoothing			-452,766
Total Deductions		calculated	8,897,112
NET INCOME FOR TAX PURPOSES		calculated	1,592,430
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	1,592,430

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6.2.5 Accelerated CCA

On June 21, 2019, Bill C-97 received Royal Assent which allowed LDC’s to claim an accelerated investment incentive (“AIIP”) on yearly capital additions. Since PUC’s last COS application was in 2018, the AIIP was not included as part of the revenue requirement calculation. On July 25, 2019, the OEB provided accounting guidance to record the impacts of the CCA rule change in account 1592 – PILS and Tax Variances. PUC has used account 1592 in accordance with this guidance and the summary is provided in Table 6-14.

Table 6-14: Account 1592 PILS and Tax Variance Calculations

	2018	2019	2020	2021	2022	Total
CCA - OLD RULES	205,202	599,196	961,684	1,295,186	1,396,818	4,458,086
CCA - AIIP RULES	205,202	1,009,600	1,339,269	1,642,577	1,921,632	6,118,280
Increase in CCA	-	410,404	377,585	347,391	524,814	1,660,194
Tax Impact	-	108,757	100,060	92,059	139,076	439,951
Grossed-up	-	147,969	136,136	125,250	189,219	598,573

PUC used the 2018 actual additions as the basis of its CCA calculation and entry for 2018-2022. This creates a projected balance in account 1592 – PILS and Tax Variances of \$598,573. The difference between PUC’s actual additions and the amounts used as the basis of this entry is captured in PUC’s Loss Carry Forwards explained in the section below. The following Tables 6-15 summarizes PUC’s Loss Carry forward amounts at the end of each year from 2019-2022 and the amount of loss carry forwards after removing the entry in Account 1592 – PILS and Tax Variances.

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Table 6-15: CCA and Loss Carry Forwards

	2018	2019	2020	2021	2022	Total	
CCA - OLD RULES	205,202	599,196	961,684	1,295,186	1,396,818	4,458,086	
CCA - AIIP RULES	205,202	1,009,600	1,339,269	1,642,577	1,921,632	6,118,280	
Increase in CCA	-	410,404	377,585	347,391	524,814	1,660,194	
Tax Impact	-	108,757	100,060	92,059	139,076	439,951	
Grossed-up	-	147,969	136,136	125,250	189,219	598,573	
Cumulative CCA Increase		410,404	787,989	1,135,380	1,660,194		
Non Capital Losses at End of Year		2,581,998	1,792,370	1,999,056	3,915,084		
Non Capital Losses at End of Year (excluding 1592 entry)		2,171,594	1,004,381	863,676	2,254,890		amount of loss carry forwards to refund to customers

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4 The following tables 6-16 and 6-17 provide the CCA Continuity Schedules for the 2022 Bridge year
 5 and 2023 Test year.

Table 6-16: CCA Continuity Schedule 2022

(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 (AIP)	(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 or minus column 5 minus column 8)	(10) Proceeds of disposition available to reduce the UCC of AIP (column 8 plus column 6 minus column 3 plus column 4 minus 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")	Relevant factor	(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 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)
1	Buildings, Distribution System (acq'd post 1987)	HR	\$ 35,891,868						\$ 35,891,868	\$ -	\$ -	0.50	\$ -	\$ -	4%			\$ 1,435,675	\$ 34,456,193	
1b	Non-Residential Buildings (Reg. 1100(1)(a.1) election)	HR	\$ 892,076	\$ 35,828	\$ 35,828				\$ 927,904	\$ -	\$ 35,828	0.50	\$ 17,914	\$ -	6%			\$ 56,749	\$ 871,155	
2	Distribution System (acq'd pre 1988)	HR	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -	6%			\$ -	\$ -	
3	Buildings (acq'd pre 1988)	HR	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -	5%			\$ -	\$ -	
6	Certain Buildings; Fences	HR	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	10%			\$ -	\$ -	
8	General Office Equipment, Furniture, Fixtures	HR	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	20%			\$ -	\$ -	
10	Motor Vehicles, Fleet	HR	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ -	\$ -	
10.1	Certain Automobiles	HR	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ -	\$ -	
12	Computer Application Software (Non-Systems)	HR	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -	100%			\$ -	\$ -	
14	Limited Period Patents, Franchises, Concessions or Licences	HR	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA			\$ -	\$ -	
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	HR	\$ 1,741,453						\$ 1,741,453	\$ -	\$ -		\$ -	\$ -	7%			\$ 121,902	\$ 1,619,551	
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	HR	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	5%			\$ -	\$ -	
17	Elec. Generation Equip. (Non-Bldg, acq'd post Feb 27/00); Roads, Lots, Storage	HR	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	8%			\$ -	\$ -	
42	Fibre Optic Cable	HR	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	12%			\$ -	\$ -	
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	HR	\$ -						\$ -	\$ -	\$ -	2.33	\$ -	\$ -	30%			\$ -	\$ -	
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	HR	\$ -						\$ -	\$ -	\$ -	1.00	\$ -	\$ -	50%			\$ -	\$ -	
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	HR	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -	45%			\$ -	\$ -	
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	HR	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ -	\$ -	
47	Distribution System (acq'd post Feb 22/05)	HR	\$ 52,249,054	\$ 29,294,205	\$ 29,294,205				\$ 81,543,259	\$ -	\$ 29,294,205	0.50	\$ 14,647,103	\$ -	8%			\$ 7,695,229	\$ 73,848,030	
50	General Purpose Computer Hardware & Software (acq'd post Mar 19/07)	HR	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	55%			\$ -	\$ -	
95	CWIP	HR	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -	0%			\$ -	\$ -	
	TOTALS		\$ 90,774,451	\$ 29,330,033	\$ 29,330,033	\$ -	\$ -	\$ -	\$ 120,104,484	\$ -	\$ 29,330,033		\$ 14,665,016	\$ -		\$ -	\$ -	\$ 9,309,554	\$ 110,794,929	

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Table 6-17: CCA Continuity Schedule 2023

(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the test year	(3) Cost of acquisitions during the year (new property must be available for use, except CWIP) <small>Only if election under ONTARIO REGULATION 162/01 ss. 5 or 7 filed in 2001 to have ITR 1102(14) apply</small>	(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 or minus column 5 minus column 8)	(10) Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	(11) Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	Relevant factor	(12) UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor)	(13) UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 6 minus column 4 plus column 7 minus column 8) (if negative, enter "0")	(14) CCA Rate %	(15) Recapture of CCA	(16) Terminal Loss	(17) CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14)	(18) UCC at the end of the test year (column 9 minus column 17)
1	Buildings, Distribution System (acq'd post 1987)	BB	\$ 34,456						\$ 34,456,193	\$ -	\$ -	0.50	\$ -	\$ -	4%			\$ 1,378,248	\$ 33,077,946	
1b	Non-Residential Buildings (Reg. 1100(1)(a.1) election)	BB	\$ 871,155	577,035	577,035				\$ 1,448,189	\$ -	\$ 577,035	0.50	\$ 288,517	\$ -	6%			\$ 104,202	\$ 1,343,987	
2	Distribution System (acq'd pre 1989)	BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -	6%			\$ -	\$ -	
3	Buildings (acq'd pre 1989)	BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -	9%			\$ -	\$ -	
6	Certain Buildings, Fences	BB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	10%			\$ -	\$ -	
8	General Office Equipment, Furniture, Fixtures	BB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	20%			\$ -	\$ -	
10	Motor Vehicles, Fleet	BB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ -	\$ -	
10.1	Certain Automobiles	BB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ -	\$ -	
12	Computer Application Software (Non-Systems)	BB	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -	100%			\$ -	\$ -	
14	Limited Period Patents, Franchises, Concessions or Licences	BB	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA			\$ -	\$ -	
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	BB	\$ 1,619,551						\$ 1,619,551	\$ -	\$ -		\$ -	\$ -	7%			\$ 113,369	\$ 1,506,183	
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	BB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	5%			\$ -	\$ -	
17	Elec. Generation Equip. (Non-Bldg, acq'd post Feb 27/00); Roads, Lots, Storage	BB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	8%			\$ -	\$ -	
42	Fibre Optic Cable	BB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	12%			\$ -	\$ -	
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	BB	\$ -						\$ -	\$ -	\$ -	2.33	\$ -	\$ -	30%			\$ -	\$ -	
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	BB	\$ -						\$ -	\$ -	\$ -	1.00	\$ -	\$ -	50%			\$ -	\$ -	
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -	45%			\$ -	\$ -	
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	BB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ -	\$ -	
47	Distribution System (acq'd post Feb 22/05)	BB	\$ 73,848,030	9,536,336	9,536,336				\$ 83,384,366	\$ -	\$ 9,536,336	0.50	\$ 4,768,168	\$ -	8%			\$ 7,052,203	\$ 76,332,163	
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	BB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	55%			\$ -	\$ -	
95	CWIP	BB	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -	0%			\$ -	\$ -	
		BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	
		BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	
		BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	
		BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	
		BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	
		BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	
		BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	
		BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	
		BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	
		BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	
		BB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	
TOTALS			\$ 110,794,929	\$ 10,113,371	\$ 10,113,371	\$ -	\$ -	\$ -	\$ 120,908,300	\$ -	\$ 10,113,371		\$ 5,056,685	\$ -		\$ -	\$ -	\$ 8,648,021	\$ 112,260,279	

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1 A reconciliation between PUC’s December 31, 2021 Undepreciated Capital Cost (“UCC”) balance
 2 per the filed tax return and the balance used for the opening UCC balance for the 2022 Bridge
 3 Year is provided in Table 6-18 as follows:

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Table 6-18: Reconciliation of the 2021 UCC Balance

Class Description	Class Number	December 31, 2021 UCC Balance per S(8)	Opening UCC Balance for 2022 Bridge Year
Distribution System - 1988 to 22-Feb-2005	1	\$18,842,521	\$18,842,521
New Buildings	1	\$17,049,347	\$17,049,347
New Buildings	1b	\$892,076	\$892,076
Distribution System - post 22-Feb-2005	47	\$52,249,053	\$52,249,053
Total		\$89,032,997	\$89,032,997

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6.2.6 Loss Carry Forwards

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10 At the end of 2022, PUC had projected a loss carry forward of \$3,915,084 with \$1,660,194 of this
 11 total is attributed to the 1592 PILS -CCA calculation. As noted above in Table 6-15, PUC is seeking
 12 to refund the loss carry forwards to customers through a rate rider with a period of 2 years. PUC
 13 chose 2 years which reflects how long it would approximately take PUC to use up these Loss Carry
 14 Forwards with its new regulated net income. Table 6-19 summarizes the amount of \$812,987
 15 that will be refunded to customers. This methodology is consistent with the treatment of loss
 16 carry forwards from PUC’s 2018 COS application Decision and Order (EB-2017-0071).

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Table 6-19 Loss Carry Forward Refund to Customers

	Loss Carryforward Refund	Accelerated CCA 1592 Refund (2018-2022)	Total (Reconciles to Tax Returns)
Total Loss Carryforward	(2,254,890)	(1,660,194)	(3,915,084)
Tax Rate	26.5%	26.5%	26.5%
Tax Impact	(597,546)	(439,951)	(1,037,497)
Benefit To Customers (Grossed Up)	(812,987)	(598,573)	(1,411,561)

The above calculation results in a refund to customers of \$812,987. PUC has allocated the refund to customers based on percentage of revenue requirement as presented in Table 6-20.

Table 6-20: Allocation of Loss Carry Forward

Rate Class (Enter Rate Classes in cells below as they appear on your current tariff of rates and charges)	Units	# of Customers	Total Metered kWh	Total Metered kW	Metered kWh for Non-RPP Customers	Metered kW for Non-RPP Customers	Distribution Revenue		Allocation of Loss Carryforward
RESIDENTIAL SERVICE CLASSIFICATION	kWh	30,340	274,738,681	-	271,374,589	3,364,092	\$15,291,103	61.4%	(498,950.94)
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	3,400	79,051,528	-	66,984,366	12,067,162	\$3,768,919	15.1%	(122,980.38)
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	kW	344	221,450,388	547,687	40,867,029	188,926,311	\$5,498,738	22.1%	(179,424.62)
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	25	878,528		878,528		\$50,271	0.2%	(1,640.34)
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	317	193,841	566	193,841		\$43,297	0.2%	(1,412.80)
STREET LIGHTING SERVICE CLASSIFICATION	kW	8,037	2,459,994	7,200	129,713	2,330,282	\$262,895	1.1%	(8,578.31)

The residential class credit is a fixed monthly refund while the remainder of the rate classes will be refunded a volumetric rate as presented in Table 6- 21.

Table 6-21: Loss Carry Forward Rate Rider Refund

Rate Class (Enter Rate Classes in cells below as they appear on your current tariff of rates and charges)	units	Allocation of Loss Carryforward	Billing Determinant	Rate Rider
RESIDENTIAL SERVICE CLASSIFICATION	Customers	(\$498,951)	30,340	\$ (0.69)
GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION	kWh	(\$122,980)	79,051,528	\$ (0.0008)
GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION	kW	(\$179,425)	547,687	\$ (0.1638)
UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION	kWh	(\$1,640)	878,528	\$ (0.0009)
SENTINEL LIGHTING SERVICE CLASSIFICATION	kW	(\$1,413)	566	\$ (1.2481)
STREET LIGHTING SERVICE CLASSIFICATION	kW	(\$8,578)	7,200	\$ (0.5957)

6.2.7 Accelerated CCA Impacts 2023 Test Year

PUC has considered the impacts of the phase out of the Accelerated Investment Incentive (“AIIP”) through 2027 in its 2023 Test year. PUC chose to smooth the effects of the phase out of the AIIP which resulted in an adjustment to accounting income of \$212,184. The basis of this calculation is shown in Table 6-22 below.

Table 6-22 All Smoothing 2023-2027

	2023	2024	2025	2026	2027		5 Year Average
Accelerated CCA no phase out	\$ 1,178,982	\$ 1,178,982	\$ 1,178,982	\$ 1,178,982	\$ 1,178,982	\$ 5,894,912	\$ 1,178,982
Accelerated CCA phase out	\$ 1,178,982	\$ 546,358	\$ 555,999	\$ 511,714	\$ 838,031	\$ 3,631,084	\$ 726,217
CCA Adjustment	\$ -	\$ 632,625	\$ 622,984	\$ 667,269	\$ 340,951		\$ 452,766
						Income	\$ 452,766

PUC used total net capital additions of \$10,113,371 for the Accelerated CCA no phase out line and the DSP projected additions for the Accelerated CCA phase out line as the basis of its calculation. This resulted in a 5-year average adjustment to accounting income of \$452,766.

6.2.8 Calculation of Tax Credits

PUC did not include any tax credits, other additions, or deductions in its 2023 Test Year.

6.2.9 Integrity Checks

PUC confirms the following in Table 6-23, Integrity Checks below:

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Tabled 6-23: Integrity Checks

	Item	Utility Confirmation (Y/N)	Notes
1	The depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application	Y	
2	The capital additions and deductions in the CCA Schedule 8 agree with the rate base section for historical, bridge and test years	Y	
3	Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31 historical year UCC that agrees with the opening (January 1) bridge year UCC. If the amounts do not agree, then the applicant must provide a reconciliation with explanations. Distributors must segregate non-distribution tax amounts on Schedule 8.	Y	
4	The CCA deductions in the application's PILs tax model for historical, bridge and test years (as applicable) agree with the numbers in the CCA Schedule 8 for the same years filed in the application	Y	
5	Loss carry-forwards, if any, from prior year tax returns' Schedule 4 agree with those disclosed in the application	Y	
6	A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized	Y	
7	CCA is maximized even if there are tax loss carry-forwards	Y	
8	Other post-employment benefits and pension expenses that are added back on Schedule 1 to reconcile accounting income to net income for tax purposes agree with the OM&A analysis for compensation. The amounts deducted are reasonable when compared with the notes to the audited financial statements, Financial Services Commission of Ontario reports, and actuarial valuations.	Y	
9	The income tax rate used to calculate the tax expense is consistent with the utility's actual tax facts and evidence filed in the application	Y	

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4 6.2.10 Property Taxes

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6 PUC pays property taxes to the Corporation of the City of Sault Ste. Marie (the "City"). In
 7 addition, PUC makes annual payments to Ontario Electricity Financial Corporation for Payment
 8 in Lieu of Property Taxes. Property taxes are billed by the City and calculated using MPAC
 9 property values and tax assessment rates. PUC includes property taxes paid to the City in account
 10 4815 and 5012 for transmission and distribution stations respectively. PUC records property
 11 taxes for the building in account 6105 – Taxes Other Than Income Taxes. Table 6-24 – Total Taxes,
 12 Other than Income below shows the continuity of total property taxes not included in operating
 13 expenses for all years up to and including the Test Year.

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Table 6-24: Total Taxes, Other than Income

OEB #	Description	2018 Approved	2018	2019	2020	2021	2022 Bridge	2023 Test
6105	Additional Provincial Property PILS	\$45,000	\$42,144	\$39,977	\$37,267	\$37,927	\$39,796	\$45,900
6105	Office Building	\$298,477	\$281,976	\$275,299	\$267,767	\$270,718	\$301,919	\$338,546
	Total	\$343,477	\$324,119	\$315,276	\$305,035	\$308,645	\$341,715	\$384,446

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6.2.11 Non-Recoverable and Disallowed Expenses

PUC does not have any expenses that are deducted for general tax purposes but for which recovery in 2023 distribution rates would be disallowed.

6.3 OTHER REVENUE

6.3.1 Variance Analysis of Other Revenue

Other Distribution Revenues are revenues that are distribution related but are sourced from means other than distribution rates. For this reason, other revenues are deducted from PUC's proposed total service revenue requirement. For the 2023 test year PUC has other distribution revenues as \$2,750,627 which are explained in detail below.

PUC does not have any discrete customer groups that may be materially impacted by changes to other rates and charges.

Other Distribution revenues include such items as:

- Specific Service Charges;
- Late Payment Charges;
- Other Distribution Revenues; and
- Other Income and Expenses.

A detailed breakdown by USoA account is shown below in Table 6-25 – OEB Appendix 2-H. Year-over-year variance analysis will follow with a discussion on those variances over \$135,000.

Table 6-25: OEB Appendix 2-H Other Operating Revenue

**Appendix 2-H
Other Operating Revenue**

USoA #	USoA Description	2018 Actual ²	2019 Actual ²	2020 Actual ²	2021 Actual	Bridge Year	Test Year
		2018	2019	2020	2021	2022	2023
	<i>Reporting Basis</i>	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
4082	Retail Services Revenues	-\$ 17,492	-\$ 25,442	-\$ 26,764	-\$ 21,816	-\$ 26,000	-\$ 26,520
4084	Service Transaction Requests (STR) Revenues	-\$ 118	-\$ 220	-\$ 236	-\$ 130	-\$ 300	-\$ 306
4086	SSS Administration Revenue	-\$ 123,056	-\$ 124,325	-\$ 123,092	-\$ 123,974	-\$ 125,000	-\$ 125,000
4210	Rent from Electric Property	-\$ 1,816,886	-\$ 2,019,860	-\$ 2,031,204	-\$ 2,049,392	-\$ 1,753,251	-\$ 1,732,136
4225	Late Payment Charges	-\$ 221,084	-\$ 173,679	-\$ 296,114	-\$ 292,124	-\$ 220,000	-\$ 230,292
4235	Miscellaneous Service Revenues	-\$ 193,432	-\$ 161,185	-\$ 128,942	-\$ 203,119	-\$ 152,700	-\$ 155,754
4245	Government and Other Assistance Directly Credited to Income	-\$ 82,576	-\$ 101,862	-\$ 123,987	-\$ 140,229	-\$ 246,348	-\$ 351,857
4325	Revenues from Merchandise	-\$ 150,893	-\$ 94,079	-\$ 113,248	-\$ 70,544	-\$ 100,000	-\$ 102,000
4330	Costs and Expenses of Merchandising	\$ 476	\$ -	\$ -			
4355	Gain on Disposition of Utility and Other Property	-\$ 80,256	-\$ 500	\$ -			
4375	Revenues from Non Rate-Regulated Utility Operations	-\$ 1,222,816	-\$ 4,031,628	-\$ 4,731,173	-\$ 4,343,196		
4380	Expenses of Non Rate-Regulated Utility Operations	\$ 739,618	\$ 4,039,777	\$ 4,733,226	\$ 4,571,650		
4390	Miscellaneous Non-Operating Income	-\$ 9,449	-\$ 14,378	-\$ 56,060	-\$ 36,587	-\$ 20,000	-\$ 26,400
4405	Interest and Dividend Income	-\$ 10,151	-\$ 2,919	-\$ 459	-\$ 4,281	\$ -	
	Miscellaneous Service Revenues	-\$ 193,432	-\$ 161,185	-\$ 128,942	-\$ 203,119	-\$ 152,700	-\$ 155,754
	Late Payment Charges	-\$ 221,084	-\$ 173,679	-\$ 296,114	-\$ 292,124	-\$ 220,000	-\$ 230,292
	Other Operating Revenues	-\$ 2,040,128	-\$ 2,271,709	-\$ 2,305,283	-\$ 2,335,541	-\$ 2,150,899	-\$ 2,235,819
	Other Income or Deductions	-\$ 733,471	-\$ 103,726	-\$ 167,714	-\$ 117,042	-\$ 120,000	-\$ 128,400
	Total	-\$ 3,188,114	-\$ 2,710,298	-\$ 2,898,054	-\$ 2,713,741	-\$ 2,643,599	-\$ 2,750,265

Table 6-26: 2018 Actual Comparison to 2019 Actual – Other Operating Revenue

Other Distribution Revenue	2018 Actual	2019 Actual	Difference \$	Difference %
Specific Service Charges	(\$193,432)	(\$161,185)	\$32,247	(17%)
Late Payment Charges	(\$221,084)	(\$173,679)	\$47,405	(21%)
Other Operating Revenues	(\$2,040,128)	(\$2,271,709)	(\$231,581)	11%
Other Income or Deductions	(\$733,471)	(\$103,726)	\$629,745	(86%)
Total	(\$3,188,114)	(\$2,710,298)	\$477,816	(15%)

Other operating revenues for 2019 were 15% or \$477,816 lower than the 2018 actuals, due mainly to the offset of CDM revenues vs. CDM expenses. In 2018 the CDM revenues were \$483,198 higher than CDM expenses. In 2019, CDM Revenue was \$8,149 lower than CDM expenses. This contributed a total of \$491,347 to the \$629,745 reduction in other income or deductions that will be offset in future years. The other main difference was PUC had a gain on disposition of property in 2018 for \$80,256.

Other operating revenues were 11% or \$231,581 higher in 2019 due to higher pole attachment rental rates.

Table 6-27: 2019 Actual Comparison to 2020 Actual – Other Operating Revenue

Other Distribution Revenue	2019 Actual	2020 Actual	Difference \$	Difference %
Specific Service Charges	(\$161,185)	(\$128,942)	\$32,243	(20%)
Late Payment Charges	(\$173,679)	(\$296,114)	(\$122,435)	70%
Other Operating Revenues	(\$2,271,709)	(\$2,305,283)	(\$33,575)	1%
Other Income or Deductions	(\$103,726)	(\$167,714)	(\$63,988)	62%
Total	(\$2,710,298)	(\$2,898,054)	(\$187,755)	7%

The total of other revenues was 7.00% or \$187,755 higher in 2020 compared to 2019. The main contributing factor was higher late payment charges in 2020 due to the COVID-19 pandemic.

Table 6-28: 2020 Actual Comparison to 2021 Actual – Other Operating Revenue

Other Distribution Revenue	2020 Actual	2021 Actual	Difference \$	Difference %
Specific Service Charges	(\$128,942)	(\$203,119)	(\$74,177)	58%
Late Payment Charges	(\$296,114)	(\$292,124)	\$3,990	(1%)
Other Operating Revenues	(\$2,305,283)	(\$2,335,541)	(\$30,257)	1%
Other Income or Deductions	(\$167,714)	\$117,042	\$284,756	(170%)
Total	(\$2,898,054)	(\$2,713,741)	\$184,312	(6%)

The total of other revenues was 6% or \$184,312 lower in 2021 compared to 2020.

Other Income or Deductions was \$284,756 lower in 2021 due to CDM expenses being higher than CDM revenues. This is the same offset that pertains to the 2018 balance that equalizes itself out. PUC processed more applications in 2021 and therefore had higher CDM expenses compared to CDM revenues.

Table 6-29 2021 Actual Comparison to 2022 Bridge – Other Operating Revenue

Other Distribution Revenue	2021 Actual	2022 Bridge	Difference \$	Difference %
Specific Service Charges	(\$203,119)	(\$152,700)	\$50,419	(25%)
Late Payment Charges	(\$292,124)	(\$220,000)	\$72,124	(25%)
Other Operating Revenues	(\$2,335,541)	(\$2,150,899)	\$184,642	(8%)
Other Income or Deductions	\$117,042	(\$120,000)	(\$237,042)	(203%)
Total	(\$2,713,741)	(\$2,643,599)	\$70,143	(3%)

The total of other revenues was 3% or \$70,143 lower in 2022 compared to 2021.

Other Operating Revenues were 8% or \$184,642 lower in 2022 compared to 2021 due to lower pole attachment rates that PUC is allowed to charge.

Other Income or Deductions is projected to be 203% or \$237,042 higher in 2022 compared to 2021. This difference is attributable to no longer having CDM revenue and CDM expenses in 2022.

Table 6-30: 2022 Bridge Comparison to 2023 Test – Other Operating Revenue

Other Distribution Revenue	2022 Bridge	2023 Test Year	Difference \$	Difference %
Specific Service Charges	(\$152,700)	(\$155,754)	(\$3,054)	2%
Late Payment Charges	(\$220,000)	(\$230,292)	(\$10,292)	5%
Other Operating Revenues	(\$2,150,899)	(\$2,235,819)	(\$84,920)	4%
Other Income or Deductions	(\$120,000)	(\$128,400)	(\$8,400)	7%
Total	(\$2,643,599)	(\$2,750,265)	(\$106,666)	4%

Other Distribution Revenue is within 4% of prior year and there are no variances greater than materiality.

6.3.2 Account Breakdown Details

The following tables provide a breakdown for each other operating revenue and other income or deductions account.

Other Operating Revenue

The accounts PUC records other operating revenues in include; 4082- Retail Service Revenues, 4220 – Other Electric Revenues, 4210 – Rent from Electric Property, and 4245 – Government and Other Assistance. The tables that show the sub accounts contained within each of these accounts from Appendix 2-H is shown below.

Table 6-31 Other Operating Revenue

4082-Retail Services Revenues						
	2018 Actual ²	2019 Actual ²	2020 Actual ²	2021 Actual	Bridge Year	Test Year
	2018	2019	2020	2021	2022	2023
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Retailer Fixed	-\$ 4,320	-\$ 6,920	-\$ 7,515	-\$ 7,355	-\$ 7,000	-\$ 7,140
Retailer Variable	-\$ 8,233	-\$ 11,576	-\$ 12,044	-\$ 9,055	-\$ 12,000	-\$ 12,240
Distribution Bill Ready Fee	-\$ 4,940	-\$ 6,946	-\$ 7,205	-\$ 5,406	-\$ 7,000	-\$ 7,140
Total	-\$ 17,492	-\$ 25,442	-\$ 26,764	-\$ 21,816	-\$ 26,000	-\$ 26,520

4220-Other Electric Revenues

	2018 Actual ²	2019 Actual ²	2020 Actual ²	2021 Actual	Bridge Year	Test Year
	2018	2019	2020	2021	2022	2023
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
SSS Admin Charge	-\$ 123,056	-\$ 124,325	-\$ 123,092	-\$ 123,974	-\$ 125,000	-\$ 125,000
Total	-\$ 123,056	-\$ 124,325	-\$ 123,092	-\$ 123,974	-\$ 125,000	-\$ 125,000

4210-Rent from Electric Property

	2018 Actual ²	2019 Actual ²	2020 Actual ²	2021 Actual	Bridge Year	Test Year
	2018	2019	2020	2021	2022	2023
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Building Charge	-\$ 1,332,391	-\$ 1,220,957	-\$ 1,195,271	-\$ 1,177,752	-\$ 1,070,245	-\$ 1,035,470
Land Rent	-\$ 7,685	-\$ 7,685	-\$ 7,685	-\$ 7,685	-\$ 7,685	-\$ 7,839
Pole Rentals	-\$ 476,810	-\$ 791,218	-\$ 828,248	-\$ 863,954	-\$ 675,321	-\$ 688,827
Total	-\$ 1,816,886	-\$ 2,019,860	-\$ 2,031,204	-\$ 2,049,392	-\$ 1,753,251	-\$ 1,732,136

**4245-Government and Other Assistance
 Directly Credited to Income**

	2018 Actual ²	2019 Actual ²	2020 Actual ²	2021 Actual	Bridge Year	Test Year
	2018	2019	2020	2021	2022	2023
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Contributions and Grant After 2014	-\$ 82,576	-\$ 101,862	-\$ 123,987	-\$ 140,229	-\$ 246,348	-\$ 351,857
Total	-\$ 82,576	-\$ 101,862	-\$ 123,987	-\$ 140,229	-\$ 246,348	-\$ 351,857

Accounts 4082 and 4220 have no material variances for explanation from 2018 to the 2023 test year.

Account 4210 includes the shared administrative building. A significant portion of the operating activities of the PUC group of companies are carried out in a shared building/facility at 500 Second Line East, which is owned by PUC. The portion of the building used by affiliates is made available by PUC under a lease arrangement. The lease is priced to affiliates at fully allocated cost. PUC confirms that it follows Article 340 (Allocation of Costs and Transfer Pricing) of the Accounting Procedures Handbook as it relates to these charges.

Account 4210 also includes Pole Rentals which has fluctuated from 2018-2023. The OEB provided accounting guidance in its letter "Accounting Guidance on Wireline Pole Attachment Charges, dated July 20, 2018; and created a new variance account, Account 1508 – Sub-Account Pole Attachment Revenue Variance to record the incremental revenue arising from the changes to the pole attachment charge. In 2018, the pole attachment charge was initially updated from \$22.35

1 to \$28.09 September 1, 2018 until December 31, 2018 and adjusted to the OEB rate of \$43.63
2 effective January 1, 2019. The rate was again adjusted to \$44.50 on January 1, 2020.

3
4 In 2019, the OEB release the following accounting order allowing LDC's to charge the pre-
5 approved rate which was adjusted by inflation each year. PUC charged this rate until the new
6 consultation came into place in 2022 reducing the amount PUC could charge for pole rental. PUC
7 estimated its pole rental based on this revised rate which dropped the projected revenue
8 accordingly.

9
10 Account 4245 – Government and other assistance directly credited to income has seen a steady
11 increase until 2022. In 2022, the NRCan funding received is added to rate base significantly
12 increasing the amount recorded in this account in 2022 and 2023.

13
14 **Other Income and Deductions**

15
16 The accounts that PUC records other operating revenues in include, 4325 – Revenues from
17 Merchandise, 4330 - Costs and Expenses of Merchandising, 4355 – Gain on Disposition of Utility
18 and Other Property, 4375 – CDM Revenues, 4380 – CDM Expenses, 4390 – Miscellaneous Non-
19 Operating Utility Income, and 4405 – Interest and Dividend Income. The tables that show the
20 sub-accounts contained within each of these accounts from Appendix 2-H is shown below.

21
22
23
24
25
26

Table 6-32: Other Income and Deductions

4325-Revenues from Merchandise						
	2018 Actual ²	2019 Actual ²	2020 Actual ²	2021 Actual	Bridge Year	Test Year
	2018	2019	2020	2021	2022	2023
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Revenues from Merchandise	-\$ 150,893	-\$ 94,079	-\$ 113,248	-\$ 70,544	-\$ 100,000	-\$ 102,000
Total	-\$ 150,893	-\$ 94,079	-\$ 113,248	-\$ 70,544	-\$ 100,000	-\$ 102,000

4330 - Costs and Expenses of Merchandising						
	2018 Actual ²	2019 Actual ²	2020 Actual ²	2021 Actual	Bridge Year	Test Year
	2018	2019	2020	2021	2022	2023
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Job Sales	\$ 476					
Total	\$ 476	\$ -	\$ -	\$ -	\$ -	\$ -

4355 - Gain on disposition of Utility and Other Property						
	2018 Actual ²	2019 Actual ²	2020 Actual ²	2021 Actual	Bridge Year	Test Year
	2018	2019	2020	2021	2022	2023
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Gain on Disposition of Property	-\$ 80,256	-\$ 500				
Total	-\$ 80,256	-\$ 500	\$ -	\$ -	\$ -	\$ -

4375 Revenues from Non Rate Regulated Utility Operations						
	2018 Actual ²	2019 Actual ²	2020 Actual ²	2021 Actual	Bridge Year	Test Year
	2018	2019	2020	2021	2022	2023
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
CDM Revenues	-\$ 1,222,816	-\$ 4,031,628	-\$ 4,731,173	-\$ 4,343,196		
Total	-\$ 1,222,816	-\$ 4,031,628	-\$ 4,731,173	-\$ 4,343,196	\$ -	\$ -

4380 Expenses from Non Rate Regulated Utility Operations						
	2018 Actual ²	2019 Actual ²	2020 Actual ²	2021 Actual	Bridge Year	Test Year
	2018	2019	2020	2021	2022	2023
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
CDM Expenses	\$ 739,618	\$ 4,039,777	\$ 4,733,226	\$ 4,571,650		
Total	\$ 739,618	\$ 4,039,777	\$ 4,733,226	\$ 4,571,650	\$ -	\$ -

4390 - Misc Non-Operating Income						
	2018 Actual ²	2019 Actual ²	2020 Actual ²	2021 Actual	Bridge Year	Test Year
	2018	2019	2020	2021	2022	2023
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Sale of Scrap Metal	-\$ 9,449	-\$ 14,378	-\$ 56,060	-\$ 36,587	-\$ 20,000	-\$ 26,400
Total	-\$ 9,449	-\$ 14,378	-\$ 56,060	-\$ 36,587	-\$ 20,000	-\$ 26,400

4405-Interest and Dividend Income						
	2018 Actual ²	2019 Actual ²	2020 Actual ²	2021 Actual	Bridge Year	Test Year
	2018	2019	2020	2021	2022	2023
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Interest and Dividend Income	-\$ 8,828	-\$ 2,343				
Regulatory Carrying Charges	-\$ 1,323	-\$ 575	-\$ 459	-\$ 4,281		
Total	-\$ 10,151	-\$ 2,919	-\$ 459	-\$ 4,281	\$ -	\$ -

APPENDIX A

2023 Revenue Requirement Work Form



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2023 Filers



Version 1.00

Utility Name	PUC Distribution Inc.
Service Territory	Sault Ste. Marie
Assigned EB Number	Eb-2022-0059
Name and Title	Tyler Kasubeck, Regulatory Financial Analyst
Phone Number	705-987-2095
Email Address	tyler.kasubeck@smpuc.com
Test Year	2022
Bridge Year	2023
Last Rebasing Year	2018

The RRWF has been enhanced commencing with 2017 rate applications to provide estimated base distribution rates. The enhanced RRWF is not intended to replace a utility's formal rate generator model which should continue to be the source of the proposed rates as well as the final ones at the conclusion of the proceeding. The load forecasting addition made to this model is intended to be demonstrative only and does not replace the information filed in the utility's application. In an effort to minimize the incremental work required from utilities, the cost allocation and rate design additions to this model do in fact replace former appendices that were required to be filed as part of the cost of service (Chapter 2) filing requirements.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

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.



Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2023 Filers

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[10. Load Forecast](#)

[11. Cost Allocation](#)

12. Residential Rate Design - hidden. Contact OEB staff if needed

[13. Rate Design and Revenue Reconciliation](#)

[14. Tracking Sheet](#)

Notes:

- (1) Pale green cells represent inputs
- (2) Pale green boxes at the bottom of each page are for additional notes
- (3) Pale yellow cells represent drop-down lists
- (4) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***
- (5) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.***



Revenue Requirement Workform (RRWF) for 2023 Filers

Data Input ⁽¹⁾

	Initial Application ⁽²⁾				Per Board Decision
1 Rate Base					
Gross Fixed Assets (average)	\$166,892,585			\$ 166,892,585	\$166,892,585
Accumulated Depreciation (average)	(\$36,460,700) ⁽⁵⁾			(\$36,460,700)	(\$36,460,700)
Allowance for Working Capital:					
Controllable Expenses	\$13,949,291			\$ 13,949,291	\$13,949,291
Cost of Power	\$61,481,413			\$ 61,481,413	\$61,481,413
Working Capital Rate (%)	7.50% ⁽⁹⁾			⁽⁹⁾	⁽⁹⁾
2 Utility Income					
Operating Revenues:					
Distribution Revenue at Current Rates	\$21,083,379				
Distribution Revenue at Proposed Rates	\$25,001,934				
Other Revenue:					
Specific Service Charges	\$26,520				
Late Payment Charges	\$230,292				
Other Distribution Revenue	\$2,365,053				
Other Income and Deductions	\$128,400				
Total Revenue Offsets	\$2,750,265 ⁽⁷⁾				
Operating Expenses:					
OM+A Expenses	\$13,533,701			\$ 13,533,701	\$13,533,701
Depreciation/Amortization	\$5,425,413			\$ 5,425,413	\$5,425,413
Property taxes	\$384,446			\$ 384,446	\$384,446
Other expenses	\$31,144			31144	\$31,144
3 Taxes/PILs					
Taxable Income:					
Adjustments required to arrive at taxable income	(\$3,121,699) ⁽³⁾				
Utility Income Taxes and Rates:					
Income taxes (not grossed up)	\$421,994				
Income taxes (grossed up)	\$574,141				
Federal tax (%)	15.00%				
Provincial tax (%)	11.50%				
Income Tax Credits	\$ -				
4 Capitalization/Cost of Capital					
Capital Structure:					
Long-term debt Capitalization Ratio (%)	56.0%				
Short-term debt Capitalization Ratio (%)	4.0% ⁽⁸⁾			⁽⁸⁾	⁽⁸⁾
Common Equity Capitalization Ratio (%)	40.0%				
Preferred Shares Capitalization Ratio (%)					
	100.0%				
Cost of Capital					
Long-term debt Cost Rate (%)	3.97%				
Short-term debt Cost Rate (%)	1.17%				
Common Equity Cost Rate (%)	8.66%				
Preferred Shares Cost Rate (%)					



Revenue Requirement Workform (RRWF) for 2023 Filers

Rate Base and Working Capital

Line No.	Particulars	Initial Application				Per Board Decision
1	Gross Fixed Assets (average) ⁽²⁾	\$166,892,585	\$ -	\$166,892,585	\$ -	\$166,892,585
2	Accumulated Depreciation (average) ⁽²⁾	(\$36,460,700)	\$ -	(\$36,460,700)	\$ -	(\$36,460,700)
3	Net Fixed Assets (average) ⁽²⁾	\$130,431,885	\$ -	\$130,431,885	\$ -	\$130,431,885
4	Allowance for Working Capital ⁽¹⁾	\$5,657,303	(\$5,657,303)	\$ -	\$ -	\$ -
5	Total Rate Base	\$136,089,188	(\$5,657,303)	\$130,431,885	\$ -	\$130,431,885

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses	\$13,949,291	\$ -	\$13,949,291	\$ -	\$13,949,291
7	Cost of Power	\$61,481,413	\$ -	\$61,481,413	\$ -	\$61,481,413
8	Working Capital Base	\$75,430,704	\$ -	\$75,430,704	\$ -	\$75,430,704
9	Working Capital Rate % ⁽¹⁾	7.50%	-7.50%	0.00%	0.00%	0.00%
10	Working Capital Allowance	\$5,657,303	(\$5,657,303)	\$ -	\$ -	\$ -



Revenue Requirement Workform (RRWF) for 2023 Filers

Utility Income

Line No.	Particulars	Initial Application					Per Board Decision
Operating Revenues:							
1	Distribution Revenue (at Proposed Rates)	\$25,001,934	(\$25,001,934)	\$ -	\$ -	\$ -	\$ -
2	Other Revenue ⁽¹⁾	\$2,750,265	(\$2,750,265)	\$ -	\$ -	\$ -	\$ -
3	Total Operating Revenues	\$27,752,199	(\$27,752,199)	\$ -	\$ -	\$ -	\$ -
Operating Expenses:							
4	OM+A Expenses	\$13,533,701	\$ -	\$13,533,701	\$ -	\$13,533,701	\$13,533,701
5	Depreciation/Amortization	\$5,425,413	\$ -	\$5,425,413	\$ -	\$5,425,413	\$5,425,413
6	Property taxes	\$384,446	\$ -	\$384,446	\$ -	\$384,446	\$384,446
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$31,144	\$ -	\$31,144	\$ -	\$31,144	\$31,144
9	Subtotal (lines 4 to 8)	\$19,374,704	\$ -	\$19,374,704	\$ -	\$19,374,704	\$19,374,704
10	Deemed Interest Expense	\$3,089,225	(\$3,089,225)	\$ -	\$ -	\$ -	\$ -
11	Total Expenses (lines 9 to 10)	\$22,463,928	(\$3,089,225)	\$19,374,704	\$ -	\$19,374,704	\$19,374,704
12	Utility income before income taxes	\$5,288,271	(\$24,662,975)	(\$19,374,704)	\$ -	(\$19,374,704)	(\$19,374,704)
13	Income taxes (grossed-up)	\$574,141	\$ -	\$574,141	\$ -	\$574,141	\$574,141
14	Utility net income	\$4,714,130	(\$24,662,975)	(\$19,948,845)	\$ -	(\$19,948,845)	(\$19,948,845)

Notes

Other Revenues / Revenue Offsets

(1)	Specific Service Charges	\$26,520		\$ -		\$ -
	Late Payment Charges	\$230,292		\$ -		\$ -
	Other Distribution Revenue	\$2,365,053		\$ -		\$ -
	Other Income and Deductions	\$128,400		\$ -		\$ -
	Total Revenue Offsets	\$2,750,265	\$ -	\$ -	\$ -	\$ -



Revenue Requirement Workform (RRWF) for 2023 Filers

Taxes/PILs

Line No.	Particulars	Application		Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$4,714,129	\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$3,121,699)	\$ -	\$ -
3	Taxable income	<u>\$1,592,430</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	<u>\$421,994</u>	<u>\$421,994</u>	<u>\$421,994</u>
6	Total taxes	<u>\$421,994</u>	<u>\$421,994</u>	<u>\$421,994</u>
7	Gross-up of Income Taxes	<u>\$152,147</u>	<u>\$152,147</u>	<u>\$152,147</u>
8	Grossed-up Income Taxes	<u>\$574,141</u>	<u>\$574,141</u>	<u>\$574,141</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$574,141</u>	<u>\$574,141</u>	<u>\$574,141</u>
10	Other tax Credits	\$ -	\$ -	\$ -
<u>Tax Rates</u>				
11	Federal tax (%)	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.50%	11.50%	11.50%
13	Total tax rate (%)	<u>26.50%</u>	<u>26.50%</u>	<u>26.50%</u>



Revenue Requirement Workform (RRWF) for 2023 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Initial Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$76,209,945	3.97%	\$3,025,535
2	Short-term Debt	4.00%	\$5,443,568	1.17%	\$63,690
3	Total Debt	60.00%	\$81,653,513	3.78%	\$3,089,225
	Equity				
4	Common Equity	40.00%	\$54,435,675	8.66%	\$4,714,129
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$54,435,675	8.66%	\$4,714,129
7	Total	100.00%	\$136,089,188	5.73%	\$7,803,354
Per Board Decision					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -
3	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	0.00%	\$ -	0.00%	\$ -
7	Total	0.00%	\$130,431,885	0.00%	\$ -
		(%)	(\$)	(%)	(\$)
	Debt				
8	Long-term Debt	0.00%	\$ -	3.97%	\$ -
9	Short-term Debt	0.00%	\$ -	1.17%	\$ -
10	Total Debt	0.00%	\$ -	0.00%	\$ -
	Equity				
11	Common Equity	0.00%	\$ -	8.66%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	0.00%	\$ -	0.00%	\$ -
14	Total	0.00%	\$130,431,885	0.00%	\$ -



Revenue Requirement Workform (RRWF) for 2023 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Per Board Decision		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$3,918,555		(\$2,324,728)		\$26,360,141
2	Distribution Revenue	\$21,083,379	\$21,083,379	\$21,083,379	\$27,326,662	\$ -	(\$26,360,141)
3	Other Operating Revenue Offsets - net	\$2,750,265	\$2,750,265	\$ -	\$ -	\$ -	\$ -
4	Total Revenue	\$23,833,644	\$27,752,199	\$21,083,379	\$25,001,934	\$ -	\$ -
5	Operating Expenses	\$19,374,704	\$19,374,704	\$19,374,704	\$19,374,704	\$19,374,704	\$19,374,704
6	Deemed Interest Expense	\$3,089,225	\$3,089,225	\$ -	\$ -	\$ -	\$ -
8	Total Cost and Expenses	\$22,463,928	\$22,463,928	\$19,374,704	\$19,374,704	\$19,374,704	\$19,374,704
9	Utility Income Before Income Taxes	\$1,369,716	\$5,288,271	\$1,708,675	\$5,627,230	(\$19,374,704)	(\$19,374,704)
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$3,121,699)	(\$3,121,699)	(\$3,121,699)	(\$3,121,699)	\$ -	\$ -
11	Taxable Income	(\$1,751,984)	\$2,166,571	(\$1,413,024)	\$2,505,531	(\$19,374,704)	(\$19,374,704)
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13	Income Tax on Taxable Income	(\$464,276)	\$574,141	\$ -	\$663,966	\$ -	\$ -
14	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Utility Net Income	\$1,833,991	\$4,714,130	\$1,708,675	(\$19,948,845)	(\$19,374,704)	(\$19,948,845)
16	Utility Rate Base	\$136,089,188	\$136,089,188	\$130,431,885	\$130,431,885	\$130,431,885	\$130,431,885
17	Deemed Equity Portion of Rate Base	\$54,435,675	\$54,435,675	\$ -	\$ -	\$ -	\$ -
18	Income/(Equity Portion of Rate Base)	3.37%	8.66%	0.00%	0.00%	0.00%	0.00%
19	Target Return - Equity on Rate Base	8.66%	8.66%	0.00%	0.00%	0.00%	0.00%
20	Deficiency/Sufficiency in Return on Equity	-5.29%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Indicated Rate of Return	3.62%	5.73%	1.31%	0.00%	-14.85%	0.00%
22	Requested Rate of Return on Rate Base	5.73%	5.73%	0.00%	0.00%	0.00%	0.00%
23	Deficiency/Sufficiency in Rate of Return	-2.12%	0.00%	1.31%	0.00%	-14.85%	0.00%
24	Target Return on Equity	\$4,714,129	\$4,714,129	\$ -	\$ -	\$ -	\$ -
25	Revenue Deficiency/(Sufficiency)	\$2,880,138	\$0	(\$1,708,675)	\$ -	\$19,374,704	\$ -
26	Gross Revenue Deficiency/(Sufficiency)	\$3,918,555 ⁽¹⁾	\$0	(\$2,324,728) ⁽¹⁾	\$ -	\$26,360,141 ⁽¹⁾	\$ -



Revenue Requirement Workform (RRWF) for 2023 Filers

Revenue Requirement

Line No.	Particulars	Application		Per Board Decision	
1	OM&A Expenses	\$13,533,701		\$13,533,701	
2	Amortization/Depreciation	\$5,425,413		\$5,425,413	
3	Property Taxes	\$384,446		\$384,446	
5	Income Taxes (Grossed up)	\$574,141		\$574,141	
6	Other Expenses	\$31,144		\$31,144	
7	Return				
	Deemed Interest Expense	\$3,089,225		\$ -	
	Return on Deemed Equity	\$4,714,129		\$ -	
8	Service Revenue Requirement (before Revenues)	\$27,752,199		\$19,948,845	
9	Revenue Offsets	\$2,750,265		\$ -	
10	Base Revenue Requirement (excluding Transformer Ownership Allowance credit adjustment)	\$25,001,934		\$19,948,845	
11	Distribution revenue	\$25,001,934		\$ -	
12	Other revenue	\$2,750,265		\$ -	
13	Total revenue	\$27,752,199		\$ -	
14	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	\$0	⁽¹⁾	(\$19,948,845)	⁽¹⁾

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application		Δ% ⁽²⁾	Per Board Decision	Δ% (2)
Service Revenue Requirement Grossed-Up Revenue Deficiency/(Sufficiency)	\$27,752,199	\$19,948,845	(28.1%)	\$19,948,845	(100.0%)
Base Revenue Requirement (to be recovered from Distribution Rates) Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement	\$25,001,934	\$19,948,845	(20.2%)	\$19,948,845	(100.0%)
	\$3,918,555	\$ -	(100%)	\$ -	(100.0%)

Revenue Requirement Workform (RRWF) for 2023 Filers

Load Forecast Summary

This spreadsheet provides a summary of the customer and load forecast on which the test year revenue requirement is derived. The amounts serve as the denominators for deriving the rates to recover the test year revenue requirement for purposes of this RRWF.

The information to be input is inclusive of any adjustments to kWh and kW to reflect the impacts of CDM programs up to and including CDM programs planned to be executed in the test year. i.e., the load forecast adjustments determined in **Appendix 2-I** should be incorporated into the entries. The inputs should correspond with the summary of the Load Forecast for the Test Year in **Appendix 2-IB** and in Exhibit 3 of the application.

Appendix 2-IB is still required to be filled out, as it also provides a year-over-year variance analysis of demand growth and trends from historical actuals to the Bridge and Test Year forecasts.

Stage in Process:		Initial Application						Per Board Decision		
Customer Class		Initial Application			Customer / Connections			Per Board Decision		
Input the name of each customer class.		Customer / Connections	kWh	kW/kVA ⁽¹⁾	Customer / Connections	kWh	kW/kVA ⁽¹⁾	Customer / Connections	kWh	kW/kVA ⁽¹⁾
		Test Year average or mid-year	Annual	Annual	Test Year average or mid-year	Annual	Annual	Test Year average or mid-year	Annual	Annual
1	Residential	30,340	274,738,681							
2	GS<50	3,400	79,051,528							
3	GS>50	344	221,450,388	547,687						
4	Sentinel	317	193,841	566						
5	Street Lights	8,037	2,459,994	7,200						
6	Unmetered Scattered Load	25	878,528							
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
Total			578,772,961	555,454						



Revenue Requirement Workform (RRWF) for 2023 Filers

Cost Allocation and Rate Design

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

Stage in Application Process: *Initial Application*

A) Allocated Costs

Name of Customer Class ⁽³⁾	Costs Allocated from Previous Study ⁽¹⁾	%	Allocated Class Revenue Requirement ⁽¹⁾ <i>(7A)</i>	%
<i>From Sheet 10. Load Forecast</i>				
1 Residential	\$ 11,226,807	58.50%	\$ 17,128,169	61.72%
2 GS<50	\$ 3,149,458	16.41%	\$ 3,501,771	12.62%
3 GS>50	\$ 4,544,464	23.68%	\$ 6,667,329	24.02%
4 Sentinel	\$ 34,742	0.18%	\$ 52,120	0.19%
5 Street Lights	\$ 195,345	1.02%	\$ 349,542	1.26%
6 Unmetered Scattered Load	\$ 39,551	0.21%	\$ 53,269	0.19%
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
Total	\$ 19,190,367	100.00%	\$ 27,752,200	100.00%
		Service Revenue Requirement (from Sheet 9)	\$ 27,752,198.87	

- (1) Class Allocated Revenue Requirement, from Sheet O-1, Revenue to Cost || RR, row 40, from the Cost Allocation Study in this application. This excludes costs in deferral and variance accounts. For Embedded Distributors, Account 4750 - Low Voltage (LV) Costs are also excluded.
- (2) Host Distributors - Provide information on any embedded distributor(s) as a separate class, if applicable. If embedded distributors are billed in a General Service class, include the allocated costs and revenues of the embedded distributor(s) in the applicable class, and also complete Appendix 2-Q.
- (3) Customer Classes - If these differ from those in place in the previous cost allocation study, modify the customer classes to match the proposal in the current application as closely as possible.

B) Calculated Class Revenues

Name of Customer Class	Load Forecast (LF) X current approved rates <i>(7B)</i>	LF X current approved rates X (1+d) <i>(7C)</i>	LF X Proposed Rates <i>(7D)</i>	Miscellaneous Revenues <i>(7E)</i>
1 Residential	\$ 12,939,404	\$ 15,344,319	\$ 15,344,319	\$ 1,774,752
2 GS<50	\$ 3,189,277	\$ 3,782,036	\$ 3,782,036	\$ 345,328
3 GS>50	\$ 4,653,058	\$ 5,517,875	\$ 5,517,875	\$ 559,803
4 Sentinel	\$ 36,638	\$ 43,448	\$ 43,448	\$ 8,575
5 Street Lights	\$ 222,463	\$ 263,810	\$ 263,810	\$ 53,728
6 Unmetered Scattered Load	\$ 42,539	\$ 50,446	\$ 50,446	\$ 8,079
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
Total	\$ 21,083,379	\$ 25,001,934	\$ 25,001,934	\$ 2,750,265

C) **Rebalancing Revenue-to-Cost Ratios**

Name of Customer Class	Previously Approved Ratios	Status Quo Ratios	Proposed Ratios	Policy Range
	Most Recent Year:	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
	2018	%	%	
1 Residential	92.62%	99.95%	99.95%	85 - 115
2 GS<50	116.08%	117.87%	117.87%	80 - 120
3 GS>50	111.07%	91.16%	91.16%	80 - 120
4 Sentinel	97.22%	99.81%	99.81%	80 - 120
5 Street Lights	120.00%	90.84%	90.84%	80 - 120
6 Unmetered Scattered Load	112.71%	109.87%	109.87%	80 - 120
7				
8				
9				
10				
11				
12				
13				
14				
15				
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19				
20				

- (8) Previously Approved Revenue-to-Cost (R/C) Ratios - For most applicants, the most recent year would be the third year (at the latest) of the Price Cap IR period. For example, if the applicant, rebased in 2012 with further adjustments to move within the range over two years, the Most Recent Year would be 2015. However, the ratios in 2015 would be equal to those after the adjustment in 2014.
- (9) Status Quo Ratios - The OEB-issued cost allocation model provides the Status Quo Ratios on Worksheet O-1. The Status Quo means "Before Rebalancing".
- (10) Ratios shown in red are outside of the allowed range. Applies to both Tables C and D.

(D) **Proposed Revenue-to-Cost Ratios ⁽¹¹⁾**

Name of Customer Class	Test Year	Proposed Revenue-to-Cost Ratio		Policy Range
		Price Cap IR Period		
		1	2	
1 Residential	99.95%	99.95%	99.95%	85 - 115
2 GS<50	117.87%	117.87%	117.87%	80 - 120
3 GS>50	91.16%	91.16%	91.16%	80 - 120
4 Sentinel	99.81%	99.81%	99.81%	80 - 120
5 Street Lights	90.84%	90.84%	90.84%	80 - 120
6 Unmetered Scattered Load	109.87%	109.87%	109.87%	80 - 120
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

(11) The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 2021 that is outside of the OEB's policy range for any customer class. Table D will show that the distributor is likely to enter into the 2022 and 2023 Price Cap IR models, as necessary. For 2022 and 2023, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2019 (in the current Revenue/Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.

Revenue Requirement Workform (RRWF) for 2023 Filers

Rate Design and Revenue Reconciliation

This sheet replaces Appendix 2-V, and provides a simplified model for calculating the standard monthly and volumetric rates based on the allocated class revenues and fixed/variable split resulting from the cost allocation study and rate design and as proposed by the applicant. However, the RRWF does not replace the rate generator model that an applicant distributor may use in support of its application. The RRWF provides a demonstrative check on the derivation of the revenue requirement and on the proposed base distribution rates to recover the revenue requirement, based on summary information from a more detailed rate generator model and other models that applicants use for cost allocation, load forecasting, taxes/PILs, etc.

Stage in Process:		Initial Application			Class Allocated Revenues			Fixed / Variable Splits ²			Distribution Rates				Revenue Reconciliation		
Customer and Load Forecast					From Sheet 11, Cost Allocation and Sheet 12, Residential Rate Design			Percentage to be entered as a fraction between 0 and 1		Transformer Ownership Allowance ¹ (\$)	Monthly Service Charge		Volumetric Rate		MSC Revenues	Volumetric revenues	Revenues less Transformer Ownership Allowance
Customer Class	Volumetric Charge Determinant	Customers / Connections	kWh	kW or kVA	Total Class Revenue Requirement	Monthly Service Charge	Volumetric	Fixed	Variable		Rate	No. of decimals	Rate	No. of decimals			
From sheet 10, Load Forecast																	
1	Residential	kWh	30,340	274,738,681	\$ 15,344,319	\$ 15,344,319	\$ -	100.00%	0.00%			\$0.0000 /kWh	4	\$15,345,972.00	\$ -	\$15,345,972.00	
2	GS<50	kWh	3,400	79,051,528	\$ 3,782,036	\$ 1,138,454	\$ 2,643,582	30.10%	69.90%			\$0.0334 /kWh		\$ 1,138,320.00	\$ 2,640,321.0193	\$ 3,778,641.02	
3	GS>50	kW	344	221,450,388	\$ 5,517,875	\$ 635,988	\$ 4,881,887	11.53%	88.47%	\$ 67,200		\$9.0363 /kW		\$ 636,000.96	\$ 4,949,067.4246	\$ 5,517,868.38	
4	Sentinel	kW	317	193,841	\$ 43,448	\$ 18,179	\$ 25,269	41.84%	58.16%			\$44.6252 /kW		\$ 18,183.12	\$ 25,268,909.99	\$ 43,452.03	
5	Street Lights	kW	8,037	2,459,994	\$ 263,810	\$ 177,272	\$ 86,538	67.20%	32.80%			\$12.0191 /kW		\$ 177,456.96	\$ 86,538,300.2	\$ 263,995.26	
6	Unmetered Scattered Load	kWh	25	878,528	\$ 50,446	\$ 5,127	\$ 45,319	10.16%	89.84%			\$0.0516 /kWh		\$ 5,127.00	\$ 45,332,058.1	\$ 50,459.05	
7														\$ -	\$ -	\$ -	
8														\$ -	\$ -	\$ -	
9														\$ -	\$ -	\$ -	
10														\$ -	\$ -	\$ -	
11														\$ -	\$ -	\$ -	
12														\$ -	\$ -	\$ -	
13														\$ -	\$ -	\$ -	
14														\$ -	\$ -	\$ -	
15														\$ -	\$ -	\$ -	
16														\$ -	\$ -	\$ -	
17														\$ -	\$ -	\$ -	
18														\$ -	\$ -	\$ -	
19														\$ -	\$ -	\$ -	
20														\$ -	\$ -	\$ -	
Total Transformer Ownership Allowance										\$ 67,200							
Rates recover revenue requirement													Total Distribution Revenues	\$25,000,387.75			
													Base Revenue Requirement	\$25,001,933.81			
													Difference	-\$ 1,546.06			
													% Difference	-0.006%			

Notes:

¹ Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.

APPENDIX B

2021 Corporate Income Tax Return

T2 Corporation Income Tax Return

200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

Send one completed copy of this return, including schedules and the General Index of Financial Information (GIFI), to your tax centre. You have to file the return within six months after the end of the corporation's tax year.

For more information see canada.ca/taxes or Guide T4012, T2 Corporation – Income Tax Guide.

055 Do not use this area

Identification
Business number (BN) 001 86709 6778 RC0001

Corporation's name
002 PUC Distribution Inc.

Address of head office
Has this address changed since the last time we were notified? 010 Yes No

If yes, complete lines 011 to 018.
011 500 Second Line East

012 City Province, territory, or state

015 Sault Ste Marie 016 ON

Country (other than Canada) Postal or ZIP code

017 018 P6B 4K1

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? 020 Yes No

If yes, complete lines 021 to 028.

021 c/o

022

023 City Province, territory, or state

025 Country (other than Canada) 026 Postal or ZIP code

027 028

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? 030 Yes No

If yes, complete lines 031 to 038.

031

032 City Province, territory, or state

035 Country (other than Canada) 036 Postal or ZIP code

037 038

040 Type of corporation at the end of the tax year (tick one)
 1 Canadian-controlled private corporation (CCPC)
 2 Other private corporation
 3 Public corporation
 4 Corporation controlled by a public corporation
 5 Other corporation (specify) Electricity Act

If the type of corporation changed during the tax year, provide the effective date of the change 043 Year Month Day

To which tax year does this return apply?
Tax year start Year Month Day 060 2021-01-01 Tax year-end Year Month Day 061 2021-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? 063 Yes No
If yes, provide the date control was acquired 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? 066 Yes No

Is the corporation a professional corporation that is a member of a partnership? 067 Yes No

Is this the first year of filing after:
Incorporation? 070 Yes No
Amalgamation? 071 Yes No
If yes, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 Yes No
If yes, complete and attach Schedule 24.

Is this the final tax year before amalgamation? 076 Yes No

Is this the final return up to dissolution? 078 Yes No

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada? 080 Yes No
If no, give the country of residence on line 081 and complete and attach Schedule 97.

081
Is the non-resident corporation claiming an exemption under an income tax treaty? 082 Yes No
If yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085 1 Exempt under paragraph 149(1)(e) or (l)
 2 Exempt under paragraph 149(1)(j)
 4 Exempt under other paragraphs of section 149

Do not use this area
095 096 898

Attachments**Financial statement information:** Use GIFL schedules 100, 125, and 141.**Schedules** – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	<input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	<input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	<input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	<input type="checkbox"/>	11
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	<input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	<input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	<input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	<input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	<input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	<input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	<input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	<input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	<input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input checked="" type="checkbox"/>	3
Is the corporation claiming any type of losses?	<input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input checked="" type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<input type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	<input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	<input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	<input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	<input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<input checked="" type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<input checked="" type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit?	<input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	<input type="checkbox"/>	T1177
Is the corporation claiming a Canadian journalism labour tax credit?	<input type="checkbox"/>	58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<input type="checkbox"/>	92

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	<input type="checkbox"/>	T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN\$100,000?	<input type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<input checked="" type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<input type="checkbox"/>	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	<input type="checkbox"/>	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	<input type="checkbox"/>	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	<input type="checkbox"/>	54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	<input type="checkbox"/>	63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	<input type="checkbox"/>	59
Is the corporation claiming an air quality improvement tax credit?	<input type="checkbox"/>	65

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Is the corporation inactive?	280	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity?	221122 Electric Power Distribution				
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	Electrical power distribution	285	100.000 %	
	286		287	%	
	288		289	%	
Did the corporation immigrate to Canada during the tax year?	291	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day			
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL	300	-432,110	A
Deduct:			
Charitable donations from Schedule 2	311		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331		
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Employer deduction for non-qualified securities	352		
Subtotal			B
Subtotal (amount A minus amount B) (if negative, enter "0")			C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360		
Taxable income for the year from a personal services business			Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income eligible for the small business deduction from Schedule 7	400	A
Taxable income from line 360 on page 3, minus 100/28 (3.57143) of the amount on line 632* on page 8, minus 4 times the amount on line 636** on page 8, and minus any amount that, because of federal law, is exempt from Part I tax	405	B
Business limit (see notes 1 and 2 below)	410	500,000 C

- Notes:**
- For CCPCs that are not associated, enter \$ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
 - For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction

Amount C 500,000 x **415** *** 259,557 D = 11,535,867 E
 11,250

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** 940,164 - 50,000 = 890,164 F

Amount C 500,000 x Amount F 890,164 = 4,450,820 G
 100,000

The greater of amount E and amount G **422** 11,535,867 H

Reduced business limit (amount C minus amount H) (if negative, enter "0")	426	I
Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below)		J

Reduced business limit after assignment (amount I **minus** amount J) **428**

Small business deduction – Amount A, B, C, or K, whichever is the least x 19 % = **430**

Enter amount from line 430 at amount J on page 8.

- * Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.
- ** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

***** Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior** year **minus** \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current** year **minus** \$10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations for each tax year that ended in the preceding calendar year. Each corporation with such income has to file a Schedule 7. For a corporation's first tax year that starts after 2018, this amount is reported at line 744 of the corresponding Schedule 7. Otherwise, this amount is the total of all amounts reported at line 745 of the corresponding Schedule 7 of the corporation for each tax year that ended in the preceding calendar year.

Specified corporate income and assignment under subsection 125(3.2)

L1 Name of corporation receiving the income and assigned amount	L Business number of the corporation receiving the assigned amount	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L ³	N Business limit assigned to corporation identified in column L ⁴
1.	490	500	505
Total 510		Total 515	

- Notes:**
- This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income (other than specified farming or fishing income of the corporation for the year) from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
 - (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
 - (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
 - (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
 - (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
 - The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column M in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 426.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 on page 3	.....	_____	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27	.....	_____	B
Amount 13K from Part 13 of Schedule 27	.....	_____	C
Personal services business income	.....	432 _____	D
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least	.....	_____	E
Aggregate investment income from line 440 on page 6*	.....	_____	F
		Subtotal (add amounts B to F)	_____
		_____	G
Amount A minus amount G (if negative, enter "0")	.....	_____	H
General tax reduction for Canadian-controlled private corporations – Amount H multiplied by 13 %	.....	_____	I

Enter amount I on line 638 on page 8.

* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from line 360 on page 3	.....	_____	J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27	.....	_____	K
Amount 13K from Part 13 of Schedule 27	.....	_____	L
Personal services business income	.....	434 _____	M
		Subtotal (add amounts K to M)	_____
		_____	N
Amount J minus amount N (if negative, enter "0")	.....	_____	O
General tax reduction – Amount O multiplied by 13 %	.....	_____	P

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7	440	x	$30 \frac{2}{3} \%$	=	.....	A
Foreign non-business income tax credit from line 632 on page 8					.....	B
Foreign investment income from Schedule 7	445	x	8 %	=	.....	C
Subtotal (amount B minus amount C) (if negative, enter "0")					▶	D	
Amount A minus amount D (if negative, enter "0")					.....	E
Taxable income from line 360 on page 3					.....	F
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least					.....	G
Foreign non-business income tax credit from line 632 on page 8		x	$\frac{75}{29}$	=	.....	H
Foreign business income tax credit from line 636 on page 8		x	4	=	.....	I
Subtotal (add amounts G to I)					▶	J	
Subtotal (amount F minus amount J)					.....	K
					x $30 \frac{2}{3} \%$	=	L
Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9)					.....	M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least					.....	450 N

Refundable dividend tax on hand

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460	
Dividend refund for the previous tax year	465	
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480	
Subtotal (line 460 minus line 465 plus line 480)		A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of Schedule 53)		B
Total eligible dividends paid in the previous tax year (from line 300 of Schedule 53)		C
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)		D
Subtotal (amount C minus amount D) (if negative, enter "0")		E
Net GRIP at the end of the previous tax year (amount B minus amount E) (if negative, enter "0")		F
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of Schedule 53)		G
Subtotal (amount F plus amount G)		H
Amount H multiplied by 38 1 / 3 %		I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 of the preceding tax year)	520	J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A minus amount I, otherwise, use line 545 of the preceding tax year) (if negative, enter "0")	535	K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)		L
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)		M
Subtotal (amount L plus amount M)		N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525	O
ERDTOH dividend refund for the previous tax year	570	P
Refundable portion of Part I tax (from line 450 on page 6)		Q
Part IV tax before deductions (amount 2A from Schedule 3)		R
Part IV tax allocated to ERDTOH (amount N)		S
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)		T
Subtotal (amount R minus total of amounts S and T)		U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540	V
NERDTOH dividend refund for the previous tax year	575	W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)		X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U minus amount X) (if negative enter "0")		Y
NERDTOH at the end of the tax year (total of amounts K, Q, V, and Y minus amount W) (if negative, enter "0")	545	Z
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N minus the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")		Z
ERDTOH at the end of the tax year (total of amounts J, O, and Z minus amount P) (if negative, enter "0")	530	

Dividend refund

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)	233,864	DD
NERDTOH balance at the end of the tax year (line 545)		EE
Non-eligible dividend refund (amount DD or EE, whichever is less)		FF
Amount DD minus amount EE (if negative, enter "0")	233,864	GG
Amount BB minus amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund – Amount CC plus amount FF plus amount II		JJ
Enter amount JJ on line 784 on page 9.		

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) multiplied by 38 %	550	A
Additional tax on personal services business income (section 123.5)		
Taxable income from a personal services business	555 x 5 % = 560	B
Recapture of investment tax credit from Schedule 31	602	C
Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the tax year)		
Aggregate investment income from line 440 on page 6	_____	D
Taxable income from line 360 on page 3	_____	E
Deduct:		
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least	_____	F
Net amount (amount E minus amount F)	_____	G
Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G	604	H
Subtotal (add amounts A, B, C, and H)	_____	I
Deduct:		
Small business deduction from line 430 on page 4	_____	J
Federal tax abatement	608	_____
Manufacturing and processing profits deduction from Schedule 27	616	_____
Investment corporation deduction	620	_____
Taxed capital gains 624	_____	_____
Federal foreign non-business income tax credit from Schedule 21	632	_____
Federal foreign business income tax credit from Schedule 21	636	_____
General tax reduction for CCPCs from amount I on page 5	638	_____
General tax reduction from amount P on page 5	639	_____
Federal logging tax credit from Schedule 21	640	_____
Eligible Canadian bank deduction under section 125.21	641	_____
Federal qualifying environmental trust tax credit	648	_____
Investment tax credit from Schedule 31	652	_____
Subtotal	_____	K
Part I tax payable – Amount I minus amount K	_____	L
Enter amount L on line 700 on page 9.		

Privacy notice

Personal information (including the SIN) is collected to administer or enforce the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for the purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in paying interest or penalties, or in other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Info Source at canada.ca/cra-info-source.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	

Total federal tax _____

Add provincial or territorial tax:

Provincial or territorial jurisdiction **750** ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta) _____ **760** 67,185
Total tax payable **770** 67,185 **A**

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount JJ on page 7	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Return of fuel charge proceeds to farmers tax credit from Schedule 63	795	
Canadian film or video production tax credit (Form T1131)	796	
Film or video production services tax credit (Form T1177)	797	
Canadian journalism labour tax credit from Schedule 58	798	
Air quality improvement tax credit from Schedule 65	799	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	80,276
Total credits	890	80,276 B

Balance (amount A minus amount B) -13,091

If the result is negative, you have a **refund**. If the result is positive, you have a **balance owing**.

Enter the amount below on whichever line applies.

Generally, we do not charge or refund a difference of \$2 or less.

Refund code **894**

Refund 13,091

Balance owing _____

For information on how to enrol for direct deposit, go to canada.ca/cra-direct-deposit.

For information on how to make your payment, go to canada.ca/payments.

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? **896** Yes No

If this return was prepared by a tax preparer for a fee, provide their EFILE number **920** D4481

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Certification

I, **950** McLellan Last name **951** Kelly First name **954** Vice-President Finance Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2022-06-24 Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (705) 759-6566 Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below **957** Yes No

958 Name of other authorized person

959 Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français.

990

Schedule of Instalment Remittances

Name of corporation contact _____
Telephone number _____

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	Instalments	80,276
Total amount of instalments claimed (carry the result to line 840 of the T2 Return)		80,276 A
Total instalments credited to the taxation year per T9		80,276 B

Transfer

Account number	Taxation year end	Amount	Effective interest date	Description
From: _____	_____	_____	_____	_____
To: _____	_____	_____	_____	_____
From: _____	_____	_____	_____	_____
To: _____	_____	_____	_____	_____
From: _____	_____	_____	_____	_____
To: _____	_____	_____	_____	_____
From: _____	_____	_____	_____	_____
To: _____	_____	_____	_____	_____

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name PUC Distribution Inc.	Business number 86709 6778 RC0001	Tax year-end Year Month Day 2021-12-31
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- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 2,417,255 A

Add:

Provision for income taxes – current	101	71,089	
Provision for income taxes – deferred	102	602,000	
Amortization of tangible assets	104	3,842,226	
Non-deductible meals and entertainment expenses	121	1,623	
Reserves from financial statements – balance at the end of the year	126	348,864	
Subtotal of additions		<u>4,865,802</u>	<u>4,865,802</u>

Add:

Other additions:

	1 Description	2 Amount		
	605	295		
1	Capital Contributions 12(1)(x)	3,674,486		
2	Sub16 depreciation (charged to regulatory)	75,251		
	Total of column 2	<u>3,749,737</u>	296	3,749,737
	Subtotal of other additions		199	<u>3,749,737</u> D
	Total additions		500	<u>8,615,539</u>
Amount A plus line 500				<u>11,032,794</u> B

Deduct:

Capital cost allowance from Schedule 8	403	6,699,325	
Reserves from financial statements – balance at the beginning of the year	414	348,864	
Subtotal of deductions		<u>7,048,189</u>	<u>7,048,189</u>

Deduct:

Non-taxable/deductible other comprehensive income items	347	317,431	
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Other deductions:

	1 Description	2 Amount		
	705	395		
1	Amortization of contributed capital	140,229		
2	Regulatory charges deferred for accounting purposes	284,569		
3	ITA 13(7.4) Election - Capital Contributions received	3,674,486		
	Total of column 2	<u>4,099,284</u>	396	4,099,284
	Subtotal of other deductions		499	<u>4,416,715</u> E
	Total deductions		510	<u>11,464,904</u>

Net income (loss) for income tax purposes (amount B minus line 510) -432,110 C

Enter amount C on line 300 of the T2 return.

Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation

Corporation's name PUC Distribution Inc.	Business number 86709 6778 RC0001	Tax year-end Year Month Day 2021-12-31
--	---	---

- Corporations must use this schedule to report:
 - non-taxable dividends under section 83
 - deductible dividends under subsection 138(6)
 - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d)
 - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3)
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations (as defined in subsection 186(3)).
- A payer corporation is **connected** with a recipient corporation at any time in a tax year, if at that time the recipient corporation meets either of the following conditions:
 - it controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b)
 - it owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.
- Column A1 – Enter "X" if dividends were received from a foreign source.
Column F1 – Enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
 - Complete columns B, C, D, H, I, I.1 and L **only if** the payer corporation is **connected**.
- Important instructions to follow if the payer corporation is connected**
- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
 - When completing columns J, K and L use the **special calculations provided in the notes**.

A Name of payer corporation (from which the corporation received the dividend)	A1	B Enter 1 if payer corporation is connected	C Business number of connected corporation	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD	E Non-taxable dividends under section 83
200		205	210	220	230
1		2			
Total of column E (enter amount on line 402 of Schedule 1)					

Part 1 – Dividends received in the tax year (continued)

	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1),(b), or (d) ^{note 1} 240	F1	G Eligible dividends included in column F 242	H Total taxable dividends paid by connected payer corporation (for tax year in column D) 250
1				
	I Dividend refund of the connected payer corporation (for tax year in column D) ^{note 2} 260	I.1 Dividend refund of the connected payer corporation from its eligible refundable dividend tax on hand (ERDTH) (for tax year in column D) ^{notes 2 and 5} 265	J Part IV tax for eligible dividends. Dividends (from column G) multiplied by 38 1/3% ^{note 3} 275	K Part IV tax before deductions. Dividends (from column F) multiplied by 38 1/3% ^{note 4} 280
1				

Total of column L (enter amount on line 2E in Part 2)

Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B)	_____	1A
Taxable dividends received from non-connected corporations (total amounts from column F with code 2 in column B)	_____	1B
Subtotal (amount 1A plus amount 1B, include this amount on line 320 of the T2 return)	_____	1C
Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B)	_____	1D
Eligible dividends received from non-connected corporations (total amounts from column G with code 2 in column B)	_____	1E
Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B)	_____	1F
Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with code 2 in column B)	_____	1G
Subtotal (amount 1F plus amount 1G)	_____	1H
Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B)	_____	1I
Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with code 2 in column B)	_____	1J
Subtotal (amount 1I plus amount 1J)	_____	1K
Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H minus amount 1K)	_____	1L

- 1 If taxable dividends are received, enter the amount in column F, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column K (and column J, if applicable). Life insurers are not subject to Part IV tax on subsection 138(6) dividends.
- 2 If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable. For column L, you only have to estimate the payer's dividend refund from its eligible refundable dividend tax on hand (ERDTH) (column I.1).
- 3 For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column G.
- 4 For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column F.
- 5 For taxable dividends received from connected corporations (with a tax year starting after 2018), Part IV tax on dividends is equal to: total of amounts CC and II of the connected payer corporation (on page 7 of the T2 return) divided by column H multiplied by column F. If there is no dividend refund (or estimated dividend refund) to the connected payer corporation from its ERDTH for paying the taxable dividends, enter "0" in column L.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received before deductions (amount 1H in part 1) 2A

Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) **320**

Subtotal (amount 2A minus line 320) **▶** 2B

Current-year non-capital loss claimed to reduce Part IV tax **330**

Non-capital losses from previous years claimed to reduce Part IV tax **335**

Current-year farm loss claimed to reduce Part IV tax **340**

Farm losses from previous years claimed to reduce Part IV tax **345**

Total losses applied against Part IV tax (total of lines 330 to 345) 2C

Amount 2C multiplied by 38 1 / 3 % 2D

Part IV tax payable (amount 2B minus amount 2D, if negative enter "0") **360**

(enter amount on line 712 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations (total of column L in part 1) 2E

Amount 4A from Schedule 43 2F

Part IV tax payable on taxable dividends received from connected corporations (amount 2E minus amount 2F, if negative enter "0") 2G

(enter at amount L on page 7 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1) 2H

Amount 4C from Schedule 43 2I

Part IV tax payable on eligible dividends received from non-connected corporations (amount 2H minus amount 2I, if negative enter "0") 2J

(enter at amount M on page 7 of the T2 return)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

If your corporation's tax year-end is different than that of the recipient corporation with which you are connected, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

	L Name of recipient corporation with which you are connected	M Business number	N Tax year-end of recipient corporation in which the dividends in column O were received YYYYMMDD	O Taxable dividends paid to recipient corporations with which you are connected	P Eligible dividends included in column O
1	400	410	420	430	440
2	PUC INC	89839 7518 RC0001	2021-12-31	610,080	
				610,080	

610,080
(Total of column O) (Total of column P)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund (continued)

Total taxable dividends paid in the tax year to other than connected corporations	450	
Eligible dividends included in line 450	455	
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column O plus line 450)	460	610,080
Total eligible dividends paid in the tax year (total of column P plus line 455)	465	
Total non-eligible taxable dividends paid in the tax year (line 460 minus line 465)	470	610,080
Complete this part to determine the following amounts in order to calculate the dividend refund.		
Line 465 multiplied by 38 1 / 3 % (enter at amount AA on page 7 of the T2 return)		3A
Line 470 multiplied by 38 1 / 3 % (enter at amount DD on page 7 of the T2 return)		233,864 3B

Part 4 – Total dividends paid in the tax year

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)		610,080
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	610,080
Dividends paid out of capital dividend account	510	
Capital gains dividends	520	
Dividends paid on shares described in subsection 129(1.2)	530	
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540	
Subtotal (total of lines 510 to 540)		▶ 4A
Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 minus amount 4A)		610,080 4B

Corporation Loss Continuity and Application

Corporation's name PUC Distribution Inc.	Business number 86709 6778 RC0001	Tax year-end Year Month Day 2021-12-31
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- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, or limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the federal Income Tax Act, when control has been acquired, no amount of capital loss incurred for a tax year ending before that time is deductible in computing taxable income in a tax year ending after that time. Also, no amount of capital loss incurred in a tax year ending after that time is deductible in computing taxable income of a tax year ending before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the T2 Corporation – Income Tax Guide.
- File this schedule with the T2 return, or send the schedule by itself to the tax centre where the return is filed.
- All legislative references are to the federal Income Tax Act.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		-432,110	1A
Net capital losses deducted in the year (enter as a positive amount)	1B		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)	1C		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)	1D		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)	1E		
Employer deduction for non-qualified securities – Paragraph 110(1)(e)	1F		
Subtotal (total of amounts 1B to 1F)	▶	1G	
Subtotal (amount 1A minus amount 1G; if positive, enter "0")		-432,110	1H
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions			1I
Subtotal (amount 1H minus amount 1I)		-432,110	1J
Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss)			1K
Current-year non-capital loss (amount 1J plus amount 1K; if positive, enter "0")		-432,110	1L
If amount 1L is negative, enter it on line 110 as a positive.			

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year		1,566,946	1M
Non-capital loss expired (note 1)	100		
Non-capital losses at the beginning of the tax year (amount 1M minus line 100)	102	1,566,946	▶
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation	105		
Current-year non-capital loss (from amount 1L)	110	432,110	
Subtotal (line 105 plus line 110)		432,110	▶
Subtotal (line 102 plus amount 1N)		432,110	1N
Subtotal (line 102 plus amount 1N)		1,999,056	1O

Note 1: A non-capital loss expires after **20 tax years** and an allowable business investment loss becomes a net capital loss after **10 tax years**.

Note 2: Subsidiary is defined in subsection 88(1) as a taxable Canadian corporation of which 90% or more of each class of issued shares are owned by its parent corporation and the remaining shares are owned by persons that deal at arm's length with the parent corporation.

Part 1 – Non-capital losses (continued)

Other adjustments (includes adjustments for an acquisition of control)	150	
Section 80 – Adjustments for forgiven amounts	140	
Subsection 111(10) – Adjustments for fuel tax rebate		
Non-capital losses of previous tax years applied in the current tax year	130	
Enter line 130 on line 331 of the T2 return.		
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135	
Subtotal (total of lines 150, 140, 130 and 135)		1P
Non-capital losses before any request for a carryback (amount 1O minus amount 1P)	1,999,056	1Q

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	
Second previous tax year to reduce taxable income	902	
Third previous tax year to reduce taxable income	903	
First previous tax year to reduce taxable dividends subject to Part IV tax	911	
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913)		1R
Closing balance of non-capital losses to be carried forward to future tax years (amount 1Q minus amount 1R)	180	1,999,056

Note 3: Line 135 is the total of lines 330 and 335 from Schedule 3, Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200	
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	
Subtotal (line 200 plus line 205)		2A
Other adjustments (includes adjustments for an acquisition of control)	250	
Section 80 – Adjustments for forgiven amounts	240	
Subtotal (line 250 plus line 240)		2B
Subtotal (amount 2A minus amount 2B)		2C
Current-year capital loss (from the calculation on Schedule 6, Summary of Dispositions of Capital Property)	210	
Unused non-capital losses from the 11th previous tax year (note 4)		2D
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)		2E
Enter amount 2D or 2E, whichever is less	215	
ABILs expired as non-capital losses: line 215 multiplied by 2.000000	220	
Subtotal (amount 2C plus line 210 plus line 220)		2F

Note

If there has been an amalgamation or a wind-up of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary corporation. Add all these amounts and enter the total on line 220.

Note 4: Determine the amount of the non-capital loss from the **11th previous tax year**, and enter the part of the non-capital loss that was not deducted in the **previous 11 years**.

Note 5: Enter the amount of the ABILs from the **11th previous tax year**. Enter the full amount on amount 2E.

Part 2 – Capital losses (continued)

Capital losses from previous tax years applied against the current-year net capital gain (note 6)	.....	225	_____
	Capital losses before any request for a carryback (amount 2F minus line 225)		_____ 2G
Request to carry back capital loss to (note 7):			
	Capital gain (100%)		Amount carried back (100%)
First previous tax year	.....	951	_____
Second previous tax year	.....	952	_____
Third previous tax year	.....	79,039 953	_____
	Subtotal (total of lines 951 to 953)		_____ 2H
	Closing balance of capital losses to be carried forward to future tax years (amount 2G minus amount 2H) (note 8)	280	_____

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current tax year, enter the amount from line 225 **divided** by 2 at line 332 of the T2 return.

Note 7: On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, **divide** this amount by 2. The result represents the 50% inclusion rate.

Note 8: Capital losses can be carried forward indefinitely.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year	.....		_____ 3A
Farm loss expired (note 9)	.....	300	_____
Farm losses at the beginning of the tax year (amount 3A minus line 300)	.....	302	_____ 3B
Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	.....	305	_____
Current-year farm loss (amount 1K in Part 1)	.....	310	_____
	Subtotal (line 305 plus line 310)		_____ 3B
			Subtotal (line 302 plus amount 3B) _____ 3C
Other adjustments (includes adjustments for an acquisition of control)	.....	350	_____
Section 80 – Adjustments for forgiven amounts	.....	340	_____
Farm losses of previous tax years applied in the current tax year	.....	330	_____
Enter line 330 on line 334 of the T2 Return.			
Current and previous years farm losses applied against current-year taxable dividends subject to Part IV tax (note 10)	.....	335	_____
	Subtotal (total of lines 350, 340, 330 and 335)		_____ 3D
	Farm losses before any request for a carryback (amount 3C minus amount 3D)		_____ 3E

Request to carry back farm loss to:

First previous tax year to reduce taxable income	.....	921	_____
Second previous tax year to reduce taxable income	.....	922	_____
Third previous tax year to reduce taxable income	.....	923	_____
First previous tax year to reduce taxable dividends subject to Part IV tax	.....	931	_____
Second previous tax year to reduce taxable dividends subject to Part IV tax	.....	932	_____
Third previous tax year to reduce taxable dividends subject to Part IV tax	.....	933	_____
	Subtotal (total of lines 921 to 933)		_____ 3F
	Closing balance of farm losses to be carried forward to future tax years (amount 3E minus amount 3F)	380	_____

Note 9: A farm loss expires after **20 tax years**.

Note 10: Line 335 is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	.....	485	_____
(line 485 _____ – \$2,500) divided by 2	.....	4A	_____
Amount 4A or \$ 15,000, whichever is less	.....	▶	_____ 4B
			2,500 4C
Subtotal (amount 4B plus amount 4C)	.....	2,500	_____ 2,500 4D
Current-year restricted farm loss (line 485 minus amount 4D)	.....		_____ 4E

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year	.....	_____	4F
Restricted farm loss expired (note 11)	.....	400	_____
Restricted farm losses at the beginning of the tax year (amount 4F minus line 400)	.....	402	_____ ▶
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	.....	405	_____
Current-year restricted farm loss (from amount 4E)	.....	410	_____
Enter line 410 on line 233 of Schedule 1, Net Income (Loss) for Income Tax Purposes.			
Subtotal (line 405 plus line 410)	.....	▶	_____ 4G
Subtotal (line 402 plus amount 4G)	.....		_____ 4H

Restricted farm losses from previous tax years applied against current farming income	.....	430	_____
Enter line 430 on line 333 of the T2 return.			
Section 80 – Adjustments for forgiven amounts	.....	440	_____
Other adjustments	.....	450	_____
Subtotal (total of lines 430 to 450)	.....	▶	_____ 4I
Restricted farm losses before any request for a carryback (amount 4H minus amount 4I)	.....		_____ 4J

Request to carry back restricted farm loss to:

First previous tax year to reduce farming income	.....	941	_____
Second previous tax year to reduce farming income	.....	942	_____
Third previous tax year to reduce farming income	.....	943	_____
Subtotal (total of lines 941 to 943)	.....	▶	_____ 4K
Closing balance of restricted farm losses to be carried forward to future tax years (amount 4J minus amount 4K)	.....	480	_____

Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

Note 11: A restricted farm loss expires after **20 tax years**.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year 5A

Listed personal property loss expired (**note 12**) **500**

Listed personal property losses at the beginning of the tax year (amount 5A **minus** line 500) . **502** ▶

Current-year listed personal property loss (from Schedule 6) **510**

Subtotal (line 502 **plus** line 510) 5B

Listed personal property losses from previous tax years applied against listed personal property gains **530**

Enter line 530 on line 655 of Schedule 6.

Other adjustments **550**

Subtotal (line 530 **plus** line 550) 5C

Listed personal property losses remaining before any request for a carryback (amount 5B **minus** amount 5C) 5D

Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains **961**

Second previous tax year to reduce listed personal property gains **962**

Third previous tax year to reduce listed personal property gains **963**

Subtotal (total of lines 961 to 963) 5E

Closing balance of listed personal property losses to be carried forward to future tax years (amount 5D **minus** amount 5E) **580**

Note 12: A listed personal property loss expires after **7 tax years**.

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership account number	Tax year ending YYYY/MM/DD	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 minus column 6)
600	602	604	606	608		620
Total (enter this amount on line 222 of Schedule 1)						

1.

Limited partnership losses from previous tax years that may be applied in the current year

1	2	3	4	5	6	7
Partnership account number	Tax year ending YYYY/MM/DD	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
630	632	634	636	638		650

1.

Continuity of limited partnership losses that can be carried forward to future tax years

1	2	3	4	5	6
Partnership account number	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (must be equal to or less than line 650)	Current year limited partnership losses closing balance to be carried forward to future years (column 2 plus column 3 plus column 4 minus column 5)
660	662	664	670	675	680
Total (enter this amount on line 335 of the T2 return)					

1.

Note

If you need more space, you can attach more schedules.

Part 8 – Election under paragraph 88(1.1)(f)

If you are making an election under paragraph 88(1.1)(f), tick the box **190** Yes

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the wind-up began—will be considered as the loss of the parent corporation for its immediately preceding tax year and not for the particular year.

Note

This election is only applicable for wind-ups under subsection 88(1) that are reported on Schedule 24, First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent.

Non-Capital Loss Continuity Workchart

Part 6 – Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	432,110			N/A		432,110
1st preceding taxation year 2020-12-31		N/A		N/A			
2nd preceding taxation year 2019-12-31		N/A		N/A			
3rd preceding taxation year 2018-12-31	322,782	N/A		N/A			322,782
4th preceding taxation year 2017-12-31	1,244,164	N/A		N/A			1,244,164
5th preceding taxation year 2016-12-31		N/A		N/A			
6th preceding taxation year 2015-12-31		N/A		N/A			
7th preceding taxation year 2014-12-31		N/A		N/A			
8th preceding taxation year 2013-12-31		N/A		N/A			
9th preceding taxation year 2012-12-31		N/A		N/A			
10th preceding taxation year 2011-12-31		N/A		N/A			
11th preceding taxation year 2010-12-31		N/A		N/A			
12th preceding taxation year 2009-12-31		N/A		N/A			
13th preceding taxation year 2008-12-31		N/A		N/A			
14th preceding taxation year 2007-12-31		N/A		N/A			
15th preceding taxation year 2006-12-31		N/A		N/A			
16th preceding taxation year 2005-12-31		N/A		N/A			
17th preceding taxation year 2004-12-31		N/A		N/A			
18th preceding taxation year 2003-12-31		N/A		N/A			
19th preceding taxation year 2002-12-31		N/A		N/A			
20th preceding taxation year 2001-12-31		N/A		N/A			*
Total	1,566,946	432,110					1,999,056

* This balance expires this year and will not be available next year.

Tax Calculation Supplementary – Corporations

Schedule 5

Corporation's name PUC Distribution Inc.	Business Number 86709 6778 RC0001	Tax year-end Year Month Day 2021-12-31
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- Use this schedule if any of the following apply to your corporation during the tax year:
 - it had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B, and D in Part 1)
 - it is claiming provincial or territorial tax credits or rebates (see Part 2)
 - it has to pay taxes, other than income tax, for Newfoundland and Labrador or Ontario (see Part 2)
- All legislative references are to the federal Income Tax Regulations (the Regulations).
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

Part 1 – Allocation of taxable income

100		Enter the regulation that applies (402 to 413)				
A Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year <small>Note 1</small>		B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue attributable to jurisdiction	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2 <small>Note 2</small> (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 Yes <input type="checkbox"/>	103		143		
Newfoundland and Labrador Offshore	004 Yes <input type="checkbox"/>	104		144		
Prince Edward Island	005 Yes <input type="checkbox"/>	105		145		
Nova Scotia	007 Yes <input type="checkbox"/>	107		147		
Nova Scotia Offshore	008 Yes <input type="checkbox"/>	108		148		
New Brunswick	009 Yes <input type="checkbox"/>	109		149		
Quebec	011 Yes <input type="checkbox"/>	111		151		
Ontario	013 Yes <input type="checkbox"/>	113		153		
Manitoba	015 Yes <input type="checkbox"/>	115		155		
Saskatchewan	017 Yes <input type="checkbox"/>	117		157		
Alberta	019 Yes <input type="checkbox"/>	119		159		
British Columbia	021 Yes <input type="checkbox"/>	121		161		
Yukon	023 Yes <input type="checkbox"/>	123		163		
Northwest Territories	025 Yes <input type="checkbox"/>	125		165		
Nunavut	026 Yes <input type="checkbox"/>	126		166		
Outside Canada	027 Yes <input type="checkbox"/>	127		167		
Total		129	G	169	H	

Note 1: **Permanent establishment** is defined in subsection 400(2).

Note 2: For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:

1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.
2. If your corporation has provincial or territorial tax payable, complete Part 2.
3. If your corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits

Ontario basic income tax (from Schedule 500)	270		
Ontario small business deduction (from Schedule 500)	402		
Subtotal (line 270 minus line 402)			5A
Ontario transitional tax debits (from Schedule 506)	276		
Recapture of Ontario research and development tax credit (from Schedule 508)	277		
Subtotal (line 276 plus line 277)			5B
Gross Ontario tax (amount 5A plus amount 5B)			5C
Ontario resource tax credit (from Schedule 504)	404		
Ontario tax credit for manufacturing and processing (from Schedule 502)	406		
Ontario foreign tax credit (from Schedule 21)	408		
Ontario credit union tax reduction (from Schedule 500)	410		
Ontario political contributions tax credit (from Schedule 525)	415		
Ontario non-refundable tax credits (total of lines 404 to 415)			5D
Subtotal (amount 5C minus amount 5D) (if negative, enter "0")			5E
Ontario research and development tax credit (from Schedule 508)	416		
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E minus line 416) (if negative, enter "0")			5F
Ontario corporate minimum tax credit (from Schedule 510)	418		
Ontario community food program donation tax credit for farmers (from Schedule 2)	420		
Ontario corporate income tax payable (amount 5F minus the total of lines 418 and 420) (if negative, enter "0")			5G
Ontario corporate minimum tax (from Schedule 510)	278	67,185	
Ontario special additional tax on life insurance corporations (from Schedule 512)	280		
Subtotal (line 278 plus line 280)		67,185	5H
Total Ontario tax payable before refundable tax credits (amount 5G plus amount 5H)		67,185	5I
Ontario qualifying environmental trust tax credit	450		
Ontario co-operative education tax credit (from Schedule 550)	452		
Ontario apprenticeship training tax credit (from Schedule 552)	454		
Ontario computer animation and special effects tax credit (from Schedule 554)	456		
Ontario film and television tax credit (from Schedule 556)	458		
Ontario production services tax credit (from Schedule 558)	460		
Ontario interactive digital media tax credit (from Schedule 560)	462		
Ontario book publishing tax credit (from Schedule 564)	466		
Ontario innovation tax credit (from Schedule 566)	468		
Ontario business-research institute tax credit (from Schedule 568)	470		
Ontario regional opportunities investment tax credit (from Schedule 570)	472		
Ontario refundable tax credits (total of lines 450 to 472)			5J
Net Ontario tax payable or refundable tax credit (amount 5I minus amount 5J)	290	67,185	

(if a credit, enter amount in brackets) Include this amount on line 255.

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits **255** 67,185

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.

If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

Capital Cost Allowance (CCA)

Corporation's name PUC Distribution Inc.	Business number 86709 6778 RC0001	Tax year-end Year Month Day 2021-12-31
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For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes No

1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) or zero-emission vehicle (ZEV) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	9 UCC (column 2 plus column 3 plus or minus column 5 minus column 8) See note 8
200		201	203	225	205	221	222	207	
1. 1		19,627,626						0	19,627,626
2. 1	New Building	17,759,736						0	17,759,736
3. 1b	New Building Additions	382,972	584,705	584,705				0	967,677
4. 47		45,315,892	10,436,368	10,436,368	1,493,945			0	57,246,205
5. 14.1		1,872,531						0	1,872,531
6. 8	Smart Meters	744,990			-744,990			0	
Totals		85,703,747	11,021,073	11,021,073	748,955				97,473,775

1 Class number * See note 1	Description	10 Proceeds of disposition available to reduce the UCC of AIIP and ZEV (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 and ZEV acquired during the year (column 4 minus column 10) (if negative, enter "0")	12 UCC adjustment for AIIP and ZEV acquired during the year (column 11 multiplied by the relevant factor) See note 9	13 UCC adjustment for property acquired during the year other than AIIP and ZEV (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") See note 10	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	17 CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14 or a lower amount) See note 14	18 UCC at the end of the year (column 9 minus column 17)
200										
1. 1						4	0	0	785,105	18,842,521
2. 1	New Building					4	0	0	710,389	17,049,347
3. 1b	New Building Additions		584,705	292,353		6	0	0	75,602	892,075
4. 47			10,436,368	5,218,184		8	0	0	4,997,151	52,249,054
5. 14.1						5	0	0	131,078	1,741,453

1 Class number * See note 1	Description	10 Proceeds of disposition available to reduce the UCC of AIP and ZEV (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	11 Net capital cost additions of AIP and ZEV acquired during the year (column 4 minus column 10) (if negative, enter "0")	12 UCC adjustment for AIP and ZEV acquired during the year (column 11 multiplied by the relevant factor) See note 9	13 UCC adjustment for property acquired during the year other than AIP and ZEV (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") See note 10	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	17 CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14 or a lower amount) See note 14	18 UCC at the end of the year (column 9 minus column 17)
200					224	212	213	215	217	220
6. 8	Smart Meters					20	0	0		
Totals			11,021,073	5,510,537					6,699,325	90,774,450

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

- Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).
- Note 2. Include any property acquired in previous years that has now become available for use, net of any government assistance received or entitled to be received in the year from a government, municipality or other public authority, or a reduction of capital cost after the application of section 80. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.
- Note 3. An AIIP is a property (other than ZEV) that you acquired after November 20, 2018 and became available for use before 2028. ZEV is, subject to certain exceptions, a motor vehicle included in Class 54 or 55 that you acquired after March 18, 2019 and became available for use before 2028. The Government proposes to create Class 56 for zero-emission automotive equipment and vehicles that currently do not benefit from the accelerated rate provided by Classes 54 and 55. Class 56 would apply to eligible zero-emission automotive equipment and vehicles that are acquired after March 1, 2020, and became available for use before 2028. Columns 4, 10, 11 and 12 also apply for additions of class 56 property. See the T2 Corporation Income Tax Guide for more information.
- Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the UCC (column 9). Items that increase the UCC include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the UCC (show amounts that reduce the UCC in brackets) include assistance received or receivable during the year for a property, subsequent to its disposition, if such assistance would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f). See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5. Also include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor at least 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.
- Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.
- Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d) and
 - an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b)
- Include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.
- Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21). The proceeds of disposition of a ZEV that has been included in Class 54 and that is subject to the \$55,000 (plus sales taxes) capital cost limit will be adjusted based on a factor equal to the capital cost limit of \$55,000 (plus sales taxes) as a proportion of the actual cost of the vehicle.
- Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.
- Note 9. The relevant factors for property of a class in Schedule II, that is AIIP or included in Classes 54 to 56, available for use before 2024 are:
- 2 1/3 for property in Classes 43.1, 54 and 56
 - 1 1/2 for property in Class 55
 - 1 for property in Classes 43.2 and 53
 - 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information) and
 - 0.5 for all other property that is AIIP
- Note 10. The UCC adjustment for property acquired during the year other than AIIP and ZEV (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.
- Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.
- Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.
- Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1
 - property in Class 14.1, unless you have ceased carrying on the business to which it relates or
 - limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply, unless certain conditions are met
- Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction)
 - Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction)
 - Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction)
 - Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
 - Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2) (for single mine properties) and 1100(1)(ya.2) (for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive
- The AIIP also apply to property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit as well as to industrial mineral mine or a right to remove minerals from an industrial mineral mine. See the Income Tax Regulations for more detail.

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation PUC Distribution Inc.	Business Number 86709 6778 RC0001	Tax year end Year Month Day 2021-12-31
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- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name	Country of residence (other than Canada)	Business number (see note 1)	Relationship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
	100	200	300	400	500	550	600	650	700
1.	PUC Inc		89839 7518 RC0001	1					
2.	PUC Services Inc		87626 3526 RC0002	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.

Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

Financial statement reserves (not deductible)					
Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1 AFDA	348,864		348,864	348,864	348,864
2					
Reserves from Part 2 of Schedule 13					
Totals	348,864		348,864	348,864	348,864

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year must file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

Column 2: Provide the business number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code from the list below that applies to each corporation:

- 1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
- 3 – Non-CCPC that is a **third corporation**
- 4 – Associated non-CCPC
- 5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

Column 5: Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A does not exceed \$500,000.

Allocating the business limit

Date filed (do not use this area)	025	Year Month Day
Enter the calendar year the agreement applies to	050	Year 2021
Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below?	075	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	1 Name of associated corporations	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	PUC Distribution Inc.	86709 6778 RC0001	1	500,000	100.0000	500,000
2	PUC Inc	89839 7518 RC0001	1	500,000		
3	PUC Services Inc	87626 3526 RC0002	1	500,000		
	Total				100.0000	500,000 A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula $0.225\% \times (C - \$10,000,000)$. Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

Taxable Capital Employed in Canada – Large Corporations

Corporation's name PUC Distribution Inc.	Business number 86709 6778 RC0001	Tax year-end Year Month Day 2021-12-31
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- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than \$10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than \$10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	348,864		
Capital stock (or members' contributions if incorporated without share capital)	103	20,062,107		
Retained earnings	104	18,618,415		
Contributed surplus	105			
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	12,638,877		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	68,079,765		
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (add lines 101 to 112)		119,748,028	▶	119,748,028 A

Note:

Line 112 is determined by the formula $(A - B) \times C/D$ (as per paragraph 181.2(3)(g)) where:

- A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
 - a) those lines applied to partnerships in the same manner that they apply to corporations, and
 - b) those amounts were computed without reference to amounts owing by the partnership
 - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.
- B is the partnership's deferred unrealized foreign exchange losses at the end of the period,
- C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and
- D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1) 119,748,028 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	121	_____
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122	_____
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123	_____
Deferred unrealized foreign exchange losses at the end of the year	124	_____
Subtotal (add lines 121 to 124)		<u>_____</u> B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190	<u>119,748,028</u>

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	_____
A loan or advance to another corporation (other than a financial institution)	402	_____
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	_____
Long-term debt of a financial institution	404	_____
A dividend payable on a share of the capital stock of another corporation	405	_____
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	_____
An interest in a partnership (see note 2 below)	407	_____
Investment allowance for the year (add lines 401 to 407)	490	<u>_____</u>

Notes:

- Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
- Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
- Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)	_____	<u>119,748,028</u> C
Deduct: Investment allowance for the year (line 490)	_____	_____ D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	<u>119,748,028</u>

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)	119,748,028	x	Taxable income earned in Canada	610	=	Taxable capital employed in Canada	690	119,748,028
			Taxable income	1,000				

- Notes:**
1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
 2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of \$1,000.
 3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . **701**

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada **711**

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada **712**

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) **713**

Total deductions (**add** lines 711, 712, and 713) ▶ **E**

Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0") **790**

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690) **F**

Deduct: **10,000,000 G**

Excess (amount F **minus** amount G) (if negative, enter "0") **H**

Calculation for purposes of the small business deduction (amount H x 0.225%) **I**

Enter this amount at line 415 of the T2 return.

Shareholder Information

Corporation's name PUC Distribution Inc.	Business number 86709 6778 RC0001	Tax year-end Year Month Day 2021-12-31
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- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number (business number, partnership account number, social insurance number or trust number) per shareholder.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")	Social insurance number (9 digits)	Trust number (T followed by 8 digits)	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	PUC Inc	898397518RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name PUC Distribution Inc.	Business number 86709 6778 RC0001	Tax year-end Year Month Day 2021-12-31
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- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, General Rate Income Pool (GRIP) Calculation, or Schedule 54, Low Rate Income Pool (LRIP) Calculation, whichever is applicable.
- File the schedules with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Do not use this area

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year not included in Schedule 3	_____	
Taxable dividends paid in the tax year included in Schedule 3	_____	
Total taxable dividends paid in the tax year	100	_____
Total eligible dividends paid in the tax year		150 _____
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")		160 _____
Excessive eligible dividend designation (line 150 minus line 160)		_____ A
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *		180 _____
	Subtotal (amount A minus line 180)	_____ B
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount B multiplied by 20 %)		190 _____

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year not included in Schedule 3	_____	
Taxable dividends paid in the tax year included in Schedule 3		610,080
Total taxable dividends paid in the tax year	200	610,080
Total excessive eligible dividend designations in the tax year (amount A of Schedule 54)		_____ C
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *		280 _____
	Subtotal (amount C minus line 280)	_____ D
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount D multiplied by 20 %)		290 _____

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax.

Ontario Corporate Minimum Tax

Corporation's name PUC Distribution Inc.	Business number 86709 6778 RC0001	Tax year-end Year Month Day 2021-12-31
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- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
 - 1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
 - 2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
 - 3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
 - 4) a congregation or business agency to which section 143 of the federal Act applies;
 - 5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
 - 6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	142,184,900
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	104,323,807
Total assets (total of lines 112 to 116)		246,508,707
Total revenue of the corporation for the tax year **	142	98,256,261
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	25,336,286
Total revenue (total of lines 142 to 146)		123,592,547

The corporation is subject to CMT if:

- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than \$5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than \$10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than \$50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than \$100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* Rules for total assets

- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** Rules for total revenue

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *		210	2,417,255
Add (to the extent reflected in income/loss):			
Provision for current income taxes/cost of current income taxes	220	71,089	
Provision for deferred income taxes (debits)/cost of future income taxes	222	602,000	
Equity losses from corporations	224		
Financial statement loss from partnerships and joint ventures	226		
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230		
Other additions (see note below):			
Share of adjusted net income of partnerships and joint ventures **	228		
Total patronage dividends received, not already included in net income/loss	232		
281	282		
283	284		
Subtotal		673,089	673,089 A
Deduct (to the extent reflected in income/loss):			
Provision for recovery of current income taxes/benefit of current income taxes	320		
Provision for deferred income taxes (credits)/benefit of future income taxes	322		
Equity income from corporations	324		
Financial statement income from partnerships and joint ventures	326		
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330		
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332		
Gain on donation of listed security or ecological gift	340		
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342		
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344		
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346		
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348		
Other deductions (see note below):			
Share of adjusted net loss of partnerships and joint ventures **	328		
Tax payable on dividends under subsection 191.1(1) of the federal Act multiplied by 3	334		
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336		
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338		
381 Tax on regulatory	382	602,000	
383	384		
385	386		
387	388		
389	390		
Subtotal		602,000	602,000 B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)		490	2,488,344

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

- exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
- include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

*** Rules for net income/loss**

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIF1 (Schedule 125) on line 210.
- ** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.
- *** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.
- **** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.
- ***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)	515		2,488,344	
Deduct:				
CMT loss available (amount R from Part 7)				
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available				C
Net income subject to CMT calculation (if negative, enter "0")	520		2,488,344	
Amount from line 520	2,488,344	x	Number of days in the tax year before July 1, 2010	
			Number of days in the tax year	
			365	
		x		4 % =
				1
Amount from line 520	2,488,344	x	Number of days in the tax year after June 30, 2010	
			Number of days in the tax year	
			365	
		x		2.7 % =
				67,185
				2
Subtotal (amount 1 plus amount 2)			67,185	3
Gross CMT: amount on line 3 above x OAF **			67,185	540
Deduct:				
Foreign tax credit for CMT purposes ***				550
CMT after foreign tax credit deduction (line 540 minus line 550) (if negative, enter "0")			67,185	D
Deduct:				
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)				
Net CMT payable (if negative, enter "0")			67,185	E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

**** Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

$$\frac{\text{Ontario taxable income ****}}{\text{Taxable income *****}} = \underline{\hspace{2cm}}$$

Ontario allocation factor 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were \$1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *	366,350	G
Deduct:		
CMT credit expired *	600	
CMT credit carryforward at the beginning of the current tax year * (see note below)	366,350	620 366,350
Add:		
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)	650	
CMT credit available for the tax year (amount on line 620 plus amount on line 650)		366,350 H
Deduct:		
CMT credit deducted in the current tax year (amount P from Part 5)		I
	Subtotal (amount H minus amount I)	366,350 J
Add:		
Net CMT payable (amount E from Part 3)	67,185	
SAT payable (amount O from Part 6 of Schedule 512)		
	Subtotal	67,185 K
CMT credit carryforward at the end of the tax year (amount J plus amount K)		670 433,535 L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
 – do not enter an amount on line G or line 600;
 – for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.
 For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)		366,350	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			1
For a corporation that is not a life insurance corporation:			
CMT after foreign tax credit deduction (amount D from Part 3)	67,185		2
For a life insurance corporation:			
Gross CMT (line 540 from Part 3)			3
Gross SAT (line 460 from Part 6 of Schedule 512)			4
The greater of amounts 3 and 4			5
	Deduct: line 2 or line 5, whichever applies:	67,185	6
	Subtotal (if negative, enter "0")		N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			
Deduct:			
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 minus line 450 from Schedule 5)			
	Subtotal (if negative, enter "0")		O
CMT credit deducted in the current tax year (least of amounts M, N, and O)			P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? **675** 1 Yes 2 No

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * Q

Deduct:

CMT loss expired * **700**

CMT loss carryforward at the beginning of the tax year * (see note below) **720**

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) **750**

CMT loss available (line 720 plus line 750) R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3)
 Subtotal (if negative, enter "0") S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) **760**

CMT loss carryforward balance at the end of the tax year (amount S plus line 760) **770** T

- * For the first harmonized T2 return filed with a tax year that includes days in 2009:
 - do not enter an amount on line Q or line 700;
 - for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
PUC Distribution Inc.	86709 6778 RC0001	2021-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	300	400	500
1	PUC Inc	89839 7518 RC0001	62,636,738	2,967,099
2	PUC Services Inc	87626 3526 RC0002	41,687,069	22,369,187
		450	104,323,807	550
		Total	104,323,807	25,336,286

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.

Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter "NR" if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

*** Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**** Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

APPENDIX C

2023 Test Year Income Tax (PILS)



Income Tax/PILs Workform for 2023 Filers

Version 1.00

Utility Name	PUC Distribution Inc.
Assigned EB Number	EB-2022-0059
Name and Title	Tyler Kasubeck, Regulatory Financial Analyst
Phone Number	705-759-6500
Email Address	tyler.kasubeck@ssmpuc.com
Date	31-Aug-22
Last COS Re-based Year	2018



Income Tax/PILs Workform for 2023 File

- [1. Info](#)
- [S. Summary](#)
- [A. Data Input Sheet](#)
- [B. Tax Rates & Exemptions](#)

Historical Year

- [H0 - PILs, Tax Provision Historical Year](#)
- [H1 - Adj. Taxable Income Historical Year](#)
- [H4 - Schedule 4 Loss Carry Forward Historical Year](#)
- [H8 - Schedule 8 Historical](#)
- [H13 - Schedule 13 Tax Reserves Historical](#)

Bridge Year

- [B0 - PILs, Tax Provision Bridge Year](#)
- [B1 - Adj. Taxable Income Bridge Year](#)
- [B4 - Schedule 4 Loss Carry Forward Bridge Year](#)
- [B8 - Schedule 8 CCA Bridge Year](#)
- [B13 - Schedule 13 Tax Reserves Bridge Year](#)

Test Year

- [T0 PILs, Tax Provision Test Year](#)
- [T1 Taxable Income Test Year](#)
- [T4 Schedule 4 Loss Carry Forward Test Year](#)
- [T8 Schedule 8 CCA Test Year](#)
- [T13 Schedule 13 Reserve Test Year](#)

Income Tax/PILs Workform for 2023 Filers

No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

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

Item	Working Paper Reference	
Adjustments required to arrive at taxable income	as below	-3,121,700
Test Year - Payments in Lieu of Taxes (PILs)	T0	421,994
Test Year - Grossed-up PILs	T0	574,141
Effective Federal Tax Rate	T0	15.0%
Effective Ontario Tax Rate	T0	11.5%
Calculation of Adjustments required to arrive at Taxable Income		
Regulatory Income (before income taxes)	T1	4,714,129
Taxable Income	T1	1,592,430
Difference	calculated	-3,121,700 as above

Income Tax/PILs Workform for 2023 Filers

Integrity Checks

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

	Item	Utility Confirmation (Y/N)	Notes
1	The depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application	Y	
2	The capital additions and deductions in the CCA Schedule 8 agree with the rate base section for historical, bridge and test years	Y	
3	Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31 historical year UCC that agrees with the opening (January 1) bridge year UCC. If the amounts do not agree, then the applicant must provide a reconciliation with explanations. Distributors must segregate non-distribution tax amounts on Schedule 8.	Y	
4	The CCA deductions in the application's PILs tax model for historical, bridge and test years (as applicable) agree with the numbers in the CCA Schedule 8 for the same years filed in the application	Y	
5	Loss carry-forwards, if any, from prior year tax returns' Schedule 4 agree with those disclosed in the application	Y	
6	A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized	Y	
7	CCA is maximized even if there are tax loss carry-forwards	Y	
8	Other post-employment benefits and pension expenses that are added back on Schedule 1 to reconcile accounting income to net income for tax purposes agree with the OM&A analysis for compensation. The amounts deducted are reasonable when compared with the notes to the audited financial statements, Financial Services Commission of Ontario reports, and actuarial valuations.	Y	
9	The income tax rate used to calculate the tax expense is consistent with the utility's actual tax facts and evidence filed in the application	Y	



Income Tax/PILs Workform for 2023 Filers

		Test Year	Bridge Year	
Rate Base	S	\$ 136,089,187	\$ 118,202,229	
Return on Ratebase				
Deemed ShortTerm Debt %	T	4.00% \$ 5,443,567		$W = S * T$
Deemed Long Term Debt %	U	56.00% \$ 76,209,945		$X = S * U$
Deemed Equity %	V	40.00% \$ 54,435,675		$Y = S * V$
Short Term Interest Rate	Z	1.17% \$ 63,690		$AC = W * Z$
Long Term Interest	AA	3.97% \$ 3,025,535		$AD = X * AA$
Return on Equity (Regulatory Income)	AB	8.66% \$ 4,714,129		$AE = Y * AB$ T1
Return on Rate Base		\$ 7,803,354		$AF = AC + AD + AE$

Questions that must be answered

	Historical Year	Bridge Year	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	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)?	Yes	Yes	Yes
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? <i>If Yes, please describe the tax treatment in the manager's summary.</i>	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	Yes	Yes	Yes



Income Tax/PILs Workform for 2023 Filers

Tax Rates Federal & Provincial As of MMM XX, 2019	Effective January 1, 2016	Effective January 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021	Effective January 1, 2022
Federal income tax							
General Corporate Rate	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Federal Tax Abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted Federal Rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Rate Reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario Income Tax	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Combined Federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & 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%	3.50%	3.50%	3.20%	3.20%	3.20%



Income Tax/PILs Workform for 2023 Filers

PILs Tax Provision - Historical Year

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

Regulatory Taxable Income
Combined Tax Rate and PILs

Ontario Tax Rate (Maximum 11.5%)
Federal tax rate (Maximum 15%)
Combined tax rate (Maximum 26.5%)

11.50% B
15.00% C

HI

Wires Only

-\$ 432,110 A

26.50% D = B+C

Total Income Taxes

-\$ 114,509 E = A * D

Investment Tax Credits
Miscellaneous Tax Credits

F

G

Total Tax Credits

\$ - H = F + G

Corporate PILs/Income Tax Provision for Historical Year

\$ - I = E - H



Income Tax/PILs Workform for 2023 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	(A + 101 + 102)	3,090,344		3,090,344
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	3,842,226		3,842,226
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	1,623		1,623
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	348,864		348,864
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))		3,674,486		3,674,486
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Sub 16 Depreciation - Charged To Regulatory		75,251		75,251
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		7,942,450	0	7,942,450

Deductions:			
Gain on disposal of assets per financial statements	401		0
Non-taxable dividends under section 83	402		0
Capital cost allowance from Schedule 8	403	6,699,325	6,699,325
Terminal loss from Schedule 8	404		0
Allowable business investment loss	406		0
Deferred and prepaid expenses	409		0
Scientific research expenses claimed in year	411		0
Tax reserves claimed in current year	413		0
Reserves from financial statements - balance at beginning of year	414	348,864	348,864
Contributions to deferred income plans	416		0
Book income of joint venture or partnership	305		0
Equity in income from subsidiary or affiliates	306		0
Other deductions			
Interest capitalized for accounting deducted for tax	395		0
Capital Lease Payments	395		0
Non-taxable imputed interest income on deferral and variance accounts	395		0
Amortization of Contributed Capital	395	140,229	140,229
Regulatory Charges for Account Purposes	395	284,569	284,569
ARO Payments - Deductible for Tax when Paid			0
ITA 13(7.4) Election - Capital Contributions Received		3,674,486	3,674,486
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			0
Deferred Revenue - ITA 20(1)(m) reserve			0
Principal portion of lease payments			0
Lease Inducement Book Amortization credit to income			0
Financing fees for tax ITA 20(1)(e) and (e.1)			0
Non Taxable/deductible other comprehensive income items		317,431	317,431
			0
			0
			0
			0
			0
			0
Total Deductions		11,464,904	0
			11,464,904
Net Income for Tax Purposes		-432,110	0
			-432,110
Charitable donations from Schedule 2	311		0
Taxable dividends received under section 112 or 113	320		0
Non-capital losses of previous tax years from Schedule 4	331		0
Net capital losses of previous tax years from Schedule 4	332		0
Limited partnership losses of previous tax years from Schedule 4	335		0
TAXABLE INCOME		-432,110	0
			-432,110

H0



Income Tax/PILs Workform for 2023 Filers

Schedule 4 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual Historical	1,999,056		1,999,056

[B4](#)

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

[B4](#)



Income Tax/PILs Workform for 2023 Filers

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital gains reserves ss.40(1)			0
Tax reserves not deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)	348,864		348,864
Reserve for undelivered goods and services not rendered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & share issue expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
Total	348,864	0	348,864
Financial Statement Reserves (not deductible for Tax Purposes)			
General reserve for inventory obsolescence (non-specific)			0
General reserve for bad debts	348,864		348,864
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
- Short & Long-term Disability			0
- Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
			0
Total	348,864	0	348,864

B13

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B13



Income Tax/PILs Workform for 2023 Filers

PILS Tax Provision - Bridge Year

Regulatory Taxable Income

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	11.5%	-\$ 245,708	11.5%	B
Federal (Max 15%)	15.0%	15.0%	-\$ 320,488	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

[B1](#) | -\$ 2,136,588 | **A**

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

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

| **F**

| **G**

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

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



Income Tax/PILs Workform for 2023 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	(A + 101 + 102)		2,550,824
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		4,868,490
Amortization of intangible assets	106		
Recapture of capital cost allowance from Schedule 8	107	B8	0
Income inclusion under subparagraph 13(38)(d)(ii)	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		
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		
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	0
Reserves from financial statements - balance at end of year	126	B13	348,864
Soft costs on construction and renovation of buildings	127		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
Other Additions			
Interest Expensed on Capital Leases	295		
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
	295		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			5,217,354

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	9,309,554
Terminal loss from Schedule 8	404	B8	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	0
Reserves from financial statements - balance at beginning of year	414	B13	348,864
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions			
Interest capitalized for accounting deducted for tax	395		
Capital Lease Payments	395		
Non-taxable imputed interest income on deferral and variance accounts	395		
	395		
	395		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
amortization of contributed capital			246,348
Total Deductions		calculated	9,904,766
Net Income for Tax Purposes		calculated	-2,136,588
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	B4	0
Net capital losses of previous tax years from Schedule 4	332	B4	0
Limited partnership losses of previous tax years from Schedule 4	335		
TAXABLE INCOME		calculated	-2,136,588



Income Tax/PILs Workform for 2023 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total
Actual Historical	H4	1,999,056
Amount to be used in Bridge Year	B1	0
Loss Carry Forward Generated in Bridge Year (if any)	B1	2,136,588
Other Adjustments		
Balance available for use post Bridge Year	calculated	4,135,644

T4

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

T4

Income Tax/PILs Workform for 2023 Filers

Schedule 8 CCA - Bridge Year

(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the bridge year	(3) Cost of acquisitions during the year (new property must be available for use, except CWIP)	(4) Cost of acquisitions from column 3 that are accelerated investment incentive property (AIP)	(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 repair during the year for a property, subsequent to its disposition	(8) Proceeds of dispositions	(9) UCC (column 2 plus or minus column 8)	(10) Proceeds of disposition available to reduce the UCC of AIP (column 6 plus column 3 minus column 4 minus 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")	Relevant factor	(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 9 minus column 4 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)
1	Buildings, Distribution System (acq'd post 1987)	HB	\$ 35,891,868						\$ 35,891,868	\$ -	\$ -	0.50	\$ -	\$ -	4%			\$ 1,435,675	\$ 34,456,193	
1b	Non-Residential Buildings (Reg. 1100(1)a.1 election)	HB	\$ 892,076	\$ 35,828	\$ 35,828				\$ 927,904	\$ -	\$ 35,828	0.50	\$ 17,914	\$ -	6%			\$ 56,749	\$ 871,155	
2	Distribution System (acq'd pre 1988)	HB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -	5%			\$ -	\$ -	
3	Buildings (acq'd pre 1988)	HB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -	5%			\$ -	\$ -	
6	Certain Buildings, Fences	HB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	10%			\$ -	\$ -	
8	General Office Equipment, Furniture, Fixtures	HB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	20%			\$ -	\$ -	
10	Motor Vehicles, Fleet	HB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ -	\$ -	
10.1	Certain Automobiles	HB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ -	\$ -	
12	Computer Application Software (Non-Systems)	HB	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -	100%			\$ -	\$ -	
14	Limited Period Patents, Franchises, Concessions or Licences	HB	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA			\$ -	\$ -	
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	HB	\$ 1,741,453						\$ 1,741,453	\$ -	\$ -		\$ -	\$ -	7%			\$ 121,902	\$ 1,619,551	
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	HB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	5%			\$ -	\$ -	
17	Elec. Generation Equip. (Non-Bldg, acq'd post Feb 27/00); Roads, Lots, Storage	HB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	9%			\$ -	\$ -	
42	Fibre Optic Cable	HB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	12%			\$ -	\$ -	
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	HB	\$ -						\$ -	\$ -	\$ -	2.33	\$ -	\$ -	30%			\$ -	\$ -	
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	HB	\$ -						\$ -	\$ -	\$ -	1.00	\$ -	\$ -	50%			\$ -	\$ -	
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	HB	\$ -						\$ -	\$ -	\$ -		\$ -	\$ -	45%			\$ -	\$ -	
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	HB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ -	\$ -	
47	Distribution System (acq'd post Feb 22/05)	HB	\$ 52,249,054	\$ 29,294,205	\$ 29,294,205				\$ 81,543,259	\$ -	\$ 29,294,205	0.50	\$ 14,647,103	\$ -	8%			\$ 7,695,229	\$ 73,848,030	
50	General Purpose Computer Hardware & Software (acq'd post Mar 19/07)	HB	\$ -						\$ -	\$ -	\$ -	0.50	\$ -	\$ -	55%			\$ -	\$ -	
95	CWIP	HB	\$ -						\$ -	\$ -	\$ -	0.00	\$ -	\$ -	0%			\$ -	\$ -	
	TOTALS		\$ 90,774,451	\$ 29,330,033	\$ 29,330,033	\$ -	\$ -	\$ -	\$ 120,104,484	\$ -	\$ 29,330,033		\$ 14,665,016	\$ -		\$ -	\$ -	\$ 9,309,554	\$ 110,794,929	

Income Tax/PILs Workform for 2023 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Bridge Year Adjustments		Balance for Bridge Year	Change During the Year	Disallowed Expenses
					Additions	Disposals			
Capital gains reserves ss.40(1)	H13	0		0			0	T13	0
Tax Reserves Not Deducted for Accounting Purposes									
Reserve for doubtful accounts ss. 20(1)(l)	H13	348,864	-348,864	0			0	T13	0
Reserve for goods and services not delivered ss. 20(1)(m)	H13	0		0			0	T13	0
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0			0	T13	0
Debt & share issue expenses ss. 20(1)(e)	H13	0		0			0	T13	0
Other tax reserves	H13	0		0			0	T13	0
		0		0			0		0
		0		0			0		0
Total		348,864	-348,864	0	B1	0	0	B1	0
Financial statement reserves (not deductible for tax purposes)									
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0			0	T13	0
General Reserve for Bad Debts	H13	348,864		348,864			348,864	T13	0
Accrued Employee Future Benefits:	H13	0		0			0	T13	0
- Medical and Life Insurance	H13	0		0			0	T13	0
- Short & Long-term Disability	H13	0		0			0	T13	0
- Accumulated Sick Leave	H13	0		0			0	T13	0
- Termination Cost	H13	0		0			0	T13	0
- Other Post-Employment Benefits	H13	0		0			0	T13	0
Provision for Environmental Costs	H13	0		0			0	T13	0
Restructuring Costs	H13	0		0			0	T13	0
Accrued Contingent Litigation Costs	H13	0		0			0	T13	0
Accrued Self-Insurance Costs	H13	0		0			0	T13	0
Other Contingent Liabilities	H13	0		0			0	T13	0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0			0	T13	0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0			0	T13	0
Other	H13	0		0			0	T13	0
		0		0			0		0
		0		0			0		0
Total		348,864	0	348,864	B1	0	348,864	B1	0



Income Tax/PILs Workform for 2023 Filers

PILs Tax Provision - Test Year

					Wires Only	
Regulatory Taxable Income					T1	\$ 1,592,430 A
	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate		
Ontario (Max 11.5%)	11.5%	11.5%	\$ 183,129	11.5%	B	
Federal (Max 15%)	15.0%	15.0%	\$ 238,864	15.0%	C	
Combined effective tax rate (Max 26.5%)					26.50%	D = B + C
Total Income Taxes					\$ 421,994	E = A * D
Investment Tax Credits					F	
Miscellaneous Tax Credits					G	
Total Tax Credits					\$ -	H = F + G
Corporate PILs/Income Tax Provision for Test Year					\$ 421,994	I = E - H S. Summary
Corporate PILs/Income Tax Provision Gross Up ¹				73.50%	J = 1-D	\$ 152,147 K = I/J-I
Income Tax (grossed-up)					\$ 574,141	L = K + I S. Summary



Income Tax/PILs Workform for 2023 Filers

Taxable Income - Test Year

	Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes	A.	4,714,129

	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104		5,425,413
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106		
Recapture of capital cost allowance from Schedule 8	107	I8	0
Tax reserves beginning of year	125	I13	0
Reserves from financial statements - balance at end of year	126	I13	350,000
Total Additions			5,775,413
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	I8	8,648,021
Terminal loss from Schedule 8	404	I8	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	I13	0
Reserves from financial statements - balance at beginning of year	414	I13	350,000
Amortization of Contributed Capital			351,857
Adjustment for Bill C-97 CCA Smoothing			-452,766
Total Deductions		calculated	8,897,112
NET INCOME FOR TAX PURPOSES		calculated	1,592,430
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	I4	0
Net capital losses of previous tax years from Schedule 4	332	I4	0
Limited partnership losses of previous tax years from Schedule 4	335		
REGULATORY TAXABLE INCOME		calculated	1,592,430



Income Tax/PILs Workform for 2023 Filers

Schedule 4 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction				
Actual/Estimated Bridge Year Carried Forward	B4	4,135,644		4,135,644
Amount to be used in Test Year and Price Cap Years	T1	0		0
Number of years loss until next cost of service (i.e. years the loss is to be spread over)		0		
Amount to be used in Test Year	calculated	0		0
Loss Carry Forward Generated in Test Year (if any)	T1	0		0
Other Adjustments				0
Balance available for use in Future Years	calculated	4,135,644		4,135,644

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

Income Tax/PILs Workform for 2023 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Test Year	Adjusted Utility Balance	Test Year Adjustments		Balance for Test Year	Change During the Year	Disallowed Expenses
					Additions	Disposals			
Capital Gains Reserves ss.40(1)	B13	0		0			0	0	
Tax Reserves Not Deducted for accounting purposes									
Reserve for doubtful accounts ss. 20(1)(l)	B13	0		0			0	0	
Reserve for goods and services not delivered ss. 20(1)(m)	B13	0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0			0	0	
Other tax reserves	B13	0		0			0	0	
		0		0			0	0	
		0		0			0	0	
Total		0	0	0	I1	0	0	I1	0
Financial Statement Reserves (not deductible for Tax Purposes)									
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0			0	0	
General reserve for bad debts	B13	348,864	1,136	350,000			350,000	0	
Accrued Employee Future Benefits:	B13	0		0			0	0	
- Medical and Life Insurance	B13	0		0			0	0	
- Short & Long-term Disability	B13	0		0			0	0	
- Accumulated Sick Leave	B13	0		0			0	0	
- Termination Cost	B13	0		0			0	0	
- Other Post-Employment Benefits	B13	0		0			0	0	
Provision for Environmental Costs	B13	0		0			0	0	
Restructuring Costs	B13	0		0			0	0	
Accrued Contingent Litigation Costs	B13	0		0			0	0	
Accrued Self-Insurance Costs	B13	0		0			0	0	
Other Contingent Liabilities	B13	0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0			0	0	
Other	B13	0		0			0	0	
		0		0			0	0	
		0		0			0	0	
Total		348,864	1,136	350,000	I1	0	350,000	I1	0