



Income Tax/PILs Workform for 2021 Filers

		Test Year	Bridge Year
Rate Base	S	\$ 13,820,951	\$ 12,944,814
		\$ -	
Return on Ratebase			
Deemed ShortTerm Debt %	T	4.00% \$ 552,838	$W = S * T$
Deemed Long Term Debt %	U	56.00% \$ 7,739,732	$X = S * U$
Deemed Equity %	V	40.00% \$ 5,528,380	$Y = S * V$
Short Term Interest Rate	Z	1.17% \$ 6,468	$AC = W * Z$
Long Term Interest	AA	2.83% \$ 218,997	$AD = X * AA$
Return on Equity (Regulatory Income)	AB	8.66% \$ 478,758	$AE = Y * AB$ T1
Return on Rate Base		\$ 704,223	$AF = AC + AD + AE$

Questions that must be answered

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

	Historical Year	Bridge Year	Test Year
1.	No	No	No
2.	No	No	No
3.	No	No	No
4.	No	No	No
5.	No	No	No
6.	No	No	No
7.	No	No	No
8.	No	No	No



Ontario Energy Board

Income Tax/PIEs Workbook

Utility Name	E.L.K. Energy Inc.
Assigned EB Number	
Name and Title	
Phone Number	
Email Address	
Date	
Last COS Re-based Year	

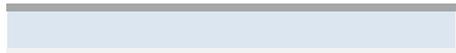
Note: Drop-down lists are shaded blue; Input cells are shaded green.

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While this model has been provided in Excel format and is required to be filed with the application for a draft rate order, the data and the results.

Form for 2021 Filers

Version 1.20



for the purpose of filing your rate application. You may use and copy this assisting you in that regard. Except as indicated above, any copying, or other use or dissemination of this model without the express written person that is advising or assisting you in preparing the application or o the restrictions noted above.

lications, the onus remains on the applicant to ensure the accuracy of the

Instructions

Purpose

The purpose of this workb calculation of PILs for the

Tab **S Summary** is a sumr Workform.

Tab **S1 Integrity Checks** n

Methodology

To calculate the PILs for tl

- 1) input the balances fro
- 2) input the balances for
Inputs should include:
 - non-deductible expe
 - loss carryforward (S
 - capital cost allowanc
 - non-deductible rese

3) make any other adjust reasonable.

Other Notes

Tabs **H0** to **H13** relate to t
Tabs **B0** to **B13** relate to t
Tabs **T0** to **T13** relate to t

The amounts on tabs **H0** t adjustments or corrections

It is assumed the net incol calculated on tab **A**.

On tab "**A. Data Input She**

ook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The Test Year is on tab **T0** and is based on the inputs on the other tabs.

many of the amounts to be transferred to the Data Input Sheet of the Revenue Requirement

must be completed after the completion of the PILs calculation in this workbook.

he Test Year:

m the income tax return of the Historical Year in tabs **H1** to **H13**.
the Bridge Year and the Test Year.

nses (Schedule 1 - **B1** and **T1**)
chedule 4 - **B4** and **T4**)
ce (Schedule 8 - **B8** and **T8**)
rves (Schedule 13 - **B13** and **T13**)

tments and inputs required so that the PILs amount calculated for the Test Year on tab **T0** is

he Historical Year.
he Bridge Year.
he Test Year.

to **H13** should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit
s should also be reflected.

me before tax for the Test Year is equal to the Return on Equity. Return on Equity is

et", input the "Rate Base" amount and "Return on Rate Base" amounts.





Ontario Energy Board

Income Tax/PILs Workform f

- [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 Historic](#)
- [H8 - Schedule 8 Historical](#)
- [H13 - Schedule 13 Tax Reserves Historic](#)

Bridge Year

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

Test Year

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

or 2021 Filers

Income Tax/PILs Workform for 2021 Filers

No inputs required on this worksheet.



com

Integrity C

The applica

1
2
3
4
5
6
7
8
9

the Tax/PILs Workform for 2021 File

Checks

Applicant must ensure the following integrity checks have been completed and confirm this is the case in the table below, or

Item
The depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in
The capital additions and deductions in the CCA Schedule 8 agree with the rate base section for historical, bridge
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
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
Loss carry-forwards, if any, from prior year tax returns' Schedule 4 agree with those disclosed in the application
A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized
CCA is maximized even if there are tax loss carry-forwards
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
The income tax rate used to calculate the tax expense is consistent with the utility's actual tax facts and evidence file

f this is not the case:

Notes



Income Tax/PILs Workform for 2021 Filers

Tax Rates

**Federal & Provincial
As of MMM XX, 2019**

Federal income tax

General Corporate Rate	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%
Adjusted Federal Rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%

Rate Reduction

Federal Income Tax

Ontario Income Tax

Combined Federal and Ontario

Federal & Ontario Small Business

Federal Small Business Limit	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

Federal Small Business Rate

Ontario Small Business Rate

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

Notes

- The Ontario Energy Board's proxy for taxable capital is rate base.
- Regarding the small business deduction, if applicable,
 - If taxable capital exceeds \$15 million, the small business rate will not be applicable.
 - If taxable capital is below \$10 million, the small business rate would be applicable.
 - If taxable capital is between \$10 million and \$15 million, the appropriate small business rate will be calculated.



Income Tax/PILs Workform for 2021 Filers

PILs Tax Provision - Historical Year

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

**Regulatory Taxable Income
Combined Tax Rate and PILs**

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

11.50%
15.00%

B
C

[H1](#)

Wires Only

\$ 608,623 **A**

26.50% **D = B+C**

\$ 161,285 **E = A * D**

F

G

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

\$ 161,285 **I = E - H**

Total Income Taxes

Investment Tax Credits
Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Historical Year



Income Tax/PILs Workform for 2021 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations
Income before PILs/Taxes	(A + 101 + 102)	1,868,352	
Additions:			
Interest and penalties on taxes	103	24,738	
Amortization of tangible assets	104	607,312	
Amortization of intangible assets	106		
Recapture of capital cost allowance from Schedule 8	107		
Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10	108		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations and gifts from Schedule 2	112		
Taxable capital gains from Schedule 6	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	3,195,558	
Reserves from financial statements – balance at the end of the year	126	4,745,247	
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			
Unrealized loss on investments		3,852	

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8,576,707

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1,041,813
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4,321,462
3,666,115
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608,623



Income Tax/PILs Workform for 2021 Filers

Schedule 4 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

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

[B4](#)

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

[B4](#)



Income Tax/PILs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital gains reserves ss.40(1)			0
Tax reserves not deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)	628,016		628,016
Reserve for undelivered goods and services not rendered ss. 20(1)(m)	3,693,446		3,693,446
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	4,321,462	0	4,321,462
Financial Statement Reserves (not deductible for Tax Purposes)			
General reserve for inventory obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits	423,785		423,785
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	4,321,462		4,321,462
			0
			0
Total	4,745,247	0	4,745,247

Income Tax/PILs Workform for 2021 Filers

PILS Tax Provision - Bridge Year

Regulatory Taxable Income

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	8.1%	-\$ 966	8.1%	B
Federal (Max 15%)	15.0%	12.5%	-\$ 1,497	12.5%	C

Combined effective tax rate (Max 26.5%)

20.62%

Total Income Taxes

\$ -

Investment Tax Credits

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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](#)

-\$ 11,941

|A

|D = B + C

|E = A * D

|F

|G

|H = F + G

|I = E - H



Income Tax/PILs Workform for 2

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	(A + 101 + 102)		611,606
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		252,817
Amortization of intangible assets	106		
Recapture of capital cost allowance from Schedule 8	107	B8	0
Income inclusion under subparagraph 13(38)(d)(iii)	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
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	4,321,462
Reserves from financial statements- balance at end of year	126	B13	4,205,681
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		



Income Tax/PIIs Workform for 2

Adjusted Taxable Income - Bridge Year

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			8,779,960
Deductions:			
Gain on disposal of assets per financial statements	401		10,000
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	887,824
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	3,758,510
Reserves from financial statements - balance at beginning of year	414	B13	4,745,247
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions			



Income Tax/PIEs Workform for 2

Adjusted Taxable Income - Bridge Year

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)			
Unrealized gain on investments			1,926
Total Deductions		calculated	9,403,507
Net Income for Tax Purposes		calculated	-11,941
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	-11,941



2021 Filers



2021 Filers



2021 Filers



Income Tax/PILs Workform for 2021 File

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total
Actual Historical	H4	0
Amount to be used in Bridge Year	B1	0
Loss Carry Forward Generated in Bridge Year (if any)	B1	11,941
Other Adjustments		
Balance available for use post Bridge Year	calculated	11,941

[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](#)

ers

Income Tax/PILs Workform for 2021 Filers

Schedule 8 CCA - Bridge Year

(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the bridge year	(3) Cost of acquisitions during the year (new property must be available for use, except CWIP)	(4) Cost of acquisitions from column 3 that are accelerated investment incentive property (AIIP)	(5) Adjustments and transfers (enter amounts that will reduce the UCC as negatives)	(6) Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition	(7) Amount from column 5 that is repaid during the year for a property, subsequent to its disposition	(8) Proceeds of dispositions	(9) UCC (column 2 plus or minus column 5 minus column 8)	(10) Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	(11) Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	Relevant factor	(12) UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor)	(13) UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0")	(14) CCA Rate %	(15) Recapture of CCA	(16) Terminal Loss	(17) UCC (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14)	(18) UCC at the end of the bridge year (column 9 minus column 17)	Working Paper Reference
1	Buildings, Distribution System (acq'd post 1987)	HR	\$ 4,473,935							\$ 4,473,935	\$ -	\$ -	0.50	\$ -	\$ -	4%			\$ 178,957	\$ 4,294,978	T8
1b	Non-Residential Buildings (Reg. 1100/1(A.1) election)	HR	\$ 34,458	\$ 2,000	\$ 2,000					\$ 36,458	\$ -	\$ 2,000	0.50	\$ 1,000	\$ -	6%			\$ 2,259	\$ 34,239	T8
2	Distribution System (acq'd pre 1988)	HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -	6%			\$ -	\$ -	T8
3	Buildings (acq'd pre 1988)	HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -	5%			\$ -	\$ -	T8
6	Certain Buildings, Fences	HR	\$ -							\$ -	\$ -	\$ -	0.50	\$ -	\$ -	10%			\$ -	\$ -	T8
8	General Office Equipment, Furniture, Fixtures	HR	\$ 166,173	\$ 22,000	\$ 22,000					\$ 188,173	\$ -	\$ 22,000	0.50	\$ 11,000	\$ -	20%			\$ 39,835	\$ 148,338	T8
10	Motor Vehicles, Fleet	HR	\$ 302,278	\$ 45,000	\$ 45,000					\$ 347,278	\$ -	\$ 45,000	0.50	\$ 22,500	\$ -	30%			\$ 110,933	\$ 236,345	T8
10.1	Certain Automobiles	HR	\$ -							\$ -	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ -	\$ -	T8
12	Computer Application Software (Non-Systems)	HR	\$ -	\$ 45,000	\$ 45,000					\$ 45,000	\$ -	\$ 45,000	0.00	\$ -	\$ -	100%			\$ 45,000	\$ -	T8
13	Lease # 1	HR	\$ -							\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA			\$ -	\$ -	T8
13.1	Lease # 2	HR	\$ -							\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA			\$ -	\$ -	T8
13.2	Lease # 3	HR	\$ -							\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA			\$ -	\$ -	T8
13.3	Lease # 4	HR	\$ -							\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA			\$ -	\$ -	T8
14	Limited Period Patents, Franchises, Concessions or Licences	HR	\$ -							\$ -	\$ -	\$ -	0.00	\$ -	\$ -	NA			\$ -	\$ -	T8
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	HR	\$ 202,882							\$ 202,882	\$ -	\$ -		\$ -	\$ -	7%			\$ 14,202	\$ 188,680	T8
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	HR	\$ -							\$ -	\$ -	\$ -	0.50	\$ -	\$ -	5%			\$ -	\$ -	T8
17	Elec. Generation Equip. (Non-Biting, acq'd post Feb 27/00); Roads, Lots, Storage	HR	\$ -							\$ -	\$ -	\$ -	0.50	\$ -	\$ -	8%			\$ -	\$ -	T8
42	Fibre Optic Cable	HR	\$ -							\$ -	\$ -	\$ -	0.50	\$ -	\$ -	12%			\$ -	\$ -	T8
43.1	Certain Clean Energy/Energy Efficient Generation Equipment	HR	\$ -							\$ -	\$ -	\$ -	2.33	\$ -	\$ -	30%			\$ -	\$ -	T8
43.2	Certain Clean Energy/Energy Efficient Generation Equipment	HR	\$ -							\$ -	\$ -	\$ -	1.00	\$ -	\$ -	50%			\$ -	\$ -	T8
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	HR	\$ -	\$ 4	\$ 4					\$ 4	\$ -	\$ -		\$ -	\$ -	45%			\$ 2	\$ 2	T8
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	HR	\$ -							\$ -	\$ -	\$ -	0.50	\$ -	\$ -	30%			\$ -	\$ -	T8
47	Distribution System (acq'd post Feb 22/05)	HR	\$ 4,552,906	\$ 1,041,049	\$ 1,041,049					\$ 5,593,955	\$ -	\$ 1,041,049	0.50	\$ 520,525	\$ -	8%			\$ 489,158	\$ 5,104,797	T8
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	HR	\$ 6,114	\$ 5,000	\$ 5,000					\$ 11,114	\$ -	\$ 5,000	0.50	\$ 2,500	\$ -	55%			\$ 7,488	\$ 3,626	T8
95	CWIP	HR	\$ -							\$ -	\$ -	\$ -	0.00	\$ -	\$ -	0%			\$ -	\$ -	T8
8	Smart Meters	HR	\$ 196,267							\$ 196,267	\$ -	\$ -		\$ -	\$ -				\$ -	\$ 196,267	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR	\$ -							\$ -	\$ -	\$ -		\$ -	\$ -				\$ -	\$ -	T8
		HR																			

Income Tax/PIs Workform for 2021 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Bridge Year Adjustments		Balance for Bridge Year	
					Additions	Disposals		
Capital gains reserves ss.40(1)	H13	0		0			0	T13
Tax Reserves Not Deducted for Accounting Purposes								
Reserve for doubtful accounts ss. 20(1)(l)	H13	628,016		628,016	640,193	628,016	640,193	T13
Reserve for goods and services not delivered ss. 20(1)(m)	H13	3,693,446		3,693,446	3,118,317	3,693,446	3,118,317	T13
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0			0	T13
Debt & share issue expenses ss. 20(1)(e)	H13	0		0			0	T13
Other tax reserves	H13	0		0			0	T13
		0		0			0	
		0		0			0	
Total		4,321,462	0	4,321,462	B1	3,758,510	4,321,462	B1
Financial statement reserves (not deductible for tax purposes)								
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0			0	T13
General Reserve for Bad Debts	H13	0		0			0	T13
Accrued Employee Future Benefits:	H13	0		0			0	T13
- Medical and Life Insurance	H13	0		0			0	T13
- Short & Long-term Disability	H13	0		0			0	T13
- Accumulated Sick Leave	H13	0		0			0	T13
- Termination Cost	H13	0		0			0	T13
- Other Post-Employment Benefits	H13	423,785		423,785	447,171	423,785	447,171	T13
Provision for Environmental Costs	H13	0		0			0	T13
Restructuring Costs	H13	0		0			0	T13
Accrued Contingent Litigation Costs	H13	0		0			0	T13
Accrued Self-Insurance Costs	H13	0		0			0	T13
Other Contingent Liabilities	H13	0		0			0	T13
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0			0	T13
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0			0	T13
Other	H13	4,321,462		4,321,462	3,758,510	4,321,462	3,758,510	T13
		0		0			0	
		0		0			0	
Total		4,745,247	0	4,745,247	B1	4,205,681	4,745,247	B1

Income Tax/PILs Workform for 2021 Filers

PILs Tax Provision - Test Year

Regulatory Taxable Income

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	9.5%	-\$ 25,236	9.5%	B
Federal (Max 15%)	15.0%	13.6%	-\$ 35,926	13.6%	C
Combined effective tax rate (Max 26.5%)					

Total Income Taxes

Investment Tax Credits
Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Test Year

Corporate PILs/Income Tax Provision Gross Up ¹

Income Tax (grossed-up)

Note:

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

Wires Only

T1	-\$ 264,451	A
	23.13%	D = B + C
	-\$ 61,162	E = A * D
		F
		G
	\$ -	H = F + G
	\$ -	I = E - H S. Su
	76.87%	J = 1-D
	\$ -	K = I/J-I
	\$ -	L = K + I S. Su



Income Tax/PILs Workform

Taxable Income - Test Year

	Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes	<u>A.</u>	478,758

	T2 S1 line #		
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104		255,733
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106		
Recapture of capital cost allowance from Schedule 8	107	<u>T8</u>	0
Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10	108		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	<u>T13</u>	3,758,510
Reserves from financial statements- balance at end of year	126	<u>T13</u>	4,475,464
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		

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		
	395		
	395		
	395		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Total Deductions		calculated	9,233,879
NET INCOME FOR TAX PURPOSES		calculated	-264,451
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	T4	0
Net capital losses of previous tax years from Schedule 4	332	T4	0
Limited partnership losses of previous tax years from Schedule 4	335		
REGULATORY TAXABLE INCOME		calculated	-264,451

n for 2021 Filers



Income Tax/PIEs Workform for 2021 Filers

Schedule 4 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction				
Actual/Estimated Bridge Year Carried Forward	B4	11,941		11,941
Amount to be used in Test Year and Price Cap Years	I1	0		0
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				
Amount to be used in Test Year	calculated	0		0
Loss Carry Forward Generated in Test Year (if any)	I1	264,451		264,451
Other Adjustments				0
Balance available for use in Future Years	calculated	276,393		276,393

		Total	Non-Distribution Portion	Utility Balance
Net Capital Loss Carry Forward Deduction				
Actual/Estimated Bridge Year Carried Forward	B4	0		0
Amount to be used in Test Year and Price Cap Years				0
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				
Amount to be used in Test Year	I1	0		0
Loss Carry Forward Generated in Test Year (if any)				0
Other Adjustments				0
Balance available for use in Future Years		0		0



Income Tax/PILs Workform for 2021 Filers

Schedule 8 CCA - Test Year

(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the test year	(3) Cost of acquisitions during the year (new property must be available for use, except CWIP)	(4) Cost of acquisitions from column 3 that are accelerated investment incentive property (AIIP)	(5) Adjustments and transfers (enter amounts that will reduce the UCC as negatives)
1	Buildings, Distribution System (acq'd post 1987)	B8	\$ 4,294,978			
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	B8	\$ 34,239	2,000	2,000	
2	Distribution System (acq'd pre 1988)	B8	\$ -			
3	Buildings (acq'd pre 1988)	B8	\$ -			
6	Certain Buildings; Fences	B8	\$ -			
8	General Office Equipment, Furniture, Fixtures	B8	\$ 148,338	12,000	12,000	
10	Motor Vehicles, Fleet	B8	\$ 236,345	370,000	370,000	
10.1	Certain Automobiles	B8	\$ -			
12	Computer Application Software (Non-Systems)	B8	\$ -	8,000	8,000	
13 ₁	Lease # 1	B8	\$ -			
13 ₂	Lease # 2	B8	\$ -			
13 ₃	Lease # 3	B8	\$ -			
13 ₄	Lease # 4	B8	\$ -			
14	Limited Period Patents, Franchises, Concessions or Licences	B8	\$ -			
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	B8	\$ 188,680			
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	B8	\$ -			
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	B8	\$ -			
42	Fibre Optic Cable	B8	\$ -			
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	B8	\$ -			
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	B8	\$ -			
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	B8	\$ 2			
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	\$ -			
47	Distribution System (acq'd post Feb 22/05)	B8	\$ 5,104,797	747,049	747,049	
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	B8	\$ 3,626	27,000	27,000	
95	CWIP	B8	\$ -			
8	Smart Meters	B8	\$ 196,267			
		B8	\$ -			
		B8	\$ -			
		B8	\$ -			
		B8	\$ -			

		B8	\$ -			
		B8	\$ -			
		B8	\$ -			
	TOTALS		\$ 10,207,272	\$ 1,166,049	\$ 1,166,049	\$ -

			\$ -	\$ -	\$ -		\$ -	\$ -		
			\$ -	\$ -	\$ -		\$ -	\$ -		
			\$ -	\$ -	\$ -		\$ -	\$ -		
\$ -	\$ -	\$ -	\$ 11,373,321	\$ -	\$ 1,166,049		\$ 579,025	\$ -		\$ -

(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)
	\$ 171,799	\$ 4,123,178
	\$ 2,234	\$ 34,004
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ 33,268	\$ 127,071
	\$ 237,403	\$ 368,941
	\$ -	\$ -
	\$ 8,000	\$ -
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
	\$ 13,208	\$ 175,473
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
	\$ 1	\$ 1
	\$ -	\$ -
	\$ 498,030	\$ 5,353,816
	\$ 24,269	\$ 6,357
	\$ -	\$ -
		\$ 196,267
		\$ -
		\$ -
		\$ -
		\$ -

			\$	-		
			\$	-		
			\$	-		
\$	-	\$	988,212	T1	\$	10,385,109

Income Tax/PILs Workform for 2021 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Test Year	Adjusted Utility Balance	Test Year Adjustments		Balance for Test Year		
					Additions	Disposals			
Capital Gains Reserves ss.40(1)	B13	0		0			0		
Tax Reserves Not Deducted for accounting purposes									
Reserve for doubtful accounts ss. 20(1)(l)	B13	640,193		640,193	634,105	640,193	634,105		
Reserve for goods and services not delivered ss. 20(1)(m)	B13	3,118,317		3,118,317	3,405,881	3,118,317	3,405,881		
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0			0		
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0			0		
Other tax reserves	B13	0		0			0		
		0		0			0		
		0		0			0		
Total		3,758,510	0	3,758,510	I1	4,039,986	3,758,510	4,039,986	I1
Financial Statement Reserves (not deductible for Tax Purposes)									
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0			0		
General reserve for bad debts	B13	0		0			0		
Accrued Employee Future Benefits:	B13	0		0			0		
- Medical and Life Insurance	B13	0		0			0		
-Short & Long-term Disability	B13	0		0			0		
-Accumulated Sick Leave	B13	0		0			0		
- Termination Cost	B13	0		0			0		
- Other Post-Employment Benefits	B13	447,171		447,171	435,478	447,171	435,478		
Provision for Environmental Costs	B13	0		0			0		
Restructuring Costs	B13	0		0			0		
Accrued Contingent Litigation Costs	B13	0		0			0		
Accrued Self-Insurance Costs	B13	0		0			0		
Other Contingent Liabilities	B13	0		0			0		
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0			0		
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0			0		
Other	B13	3,758,510		3,758,510	4,039,986	3,758,510	4,039,986		
		0		0			0		
		0		0			0		
Total		4,205,681	0	4,205,681	I1	4,475,464	4,205,681	4,475,464	I1

Change During the Year	Disallowed Expenses
0	
-6,088	
287,564	
0	
0	
0	
0	
0	
281,476	0
0	
0	
0	
0	
0	
0	
0	
0	
-11,693	
0	
0	
0	
0	
0	
0	
0	
281,476	
0	
0	
269,783	0