

CALCULATION OF UTILITY TAXABLE INCOME AND INCOME TAX EXPENSE
2018 UPDATED FORECAST (EXCLUDING CIS & CUSTOMER CARE)

Line No.	Col. 1	Col. 2	Col. 3	
	EB-2012-0459 2018 Utility Placeholder Tax (\$Millions)	2018 CIR Update Adjustments (\$Millions)	2018 Updated Forecast Utility Tax (\$Millions)	
1.	Utility income before income taxes	323.7	27.1	350.8
	Add			
2.	Depreciation and amortization	292.8	-	292.8
3.	Accrual based pension and OPEB costs	26.2	(5.4)	20.8
4.	Other non-deductible items	1.0	-	1.0
5.	Total Add Back	320.0	(5.4)	314.6
6.	Sub total	643.7	21.7	665.4
	Deduct			
7.	Capital cost allowance - Federal	298.5	-	298.5
8.	Capital cost allowance - Provincial	298.5	-	298.5
9.	Items capitalized for regulatory purposes	46.6	-	46.6
10.	Deduction for "grossed up" Part VI.1 tax	5.6	(2.2)	3.4
11.	Amortization of share/debenture issue expense	4.0	0.7	4.7
12.	Amortization of cumulative eligible capital	4.5	-	4.5
13.	Amortization of C.D.E. and C.O.G.P.E	0.1	-	0.1
14.	Site restoration cost adjustment	31.1	-	31.1
15.	Cash based pension and OPEB costs	29.8	(2.9)	26.9
16.	Total Deduction - Federal	420.2	(4.4)	415.8
17.	Total Deduction - Provincial	420.2	(4.4)	415.8
18.	Taxable income - Federal	223.5	26.1	249.6
19.	Taxable income - Provincial	223.5	26.1	249.6
20.	Income tax rate - Federal	15.00%	0.00%	15.00%
21.	Income tax rate - Provincial	11.50%	0.00%	11.50%
22.	Income tax provision - Federal	33.5	3.9	37.4
23.	Income tax provision - Provincial	25.7	3.0	28.7
24.	Income tax provision - combined	59.2	6.9	66.1
25.	Part V1.1 tax	1.9	(0.9)	1.0
26.	Total taxes excluding tax shield on interest expense	61.1	6.0	67.1
	Tax shield on interest expense			
27.	Rate base	6,145.6	93.5	6,239.1
28.	Return component of debt	3.34%	-0.42%	2.92%
29.	Interest expense	205.5	(23.2)	182.3
30.	Combined tax rate	26.50%	0.00%	26.50%
31.	Income tax credit	(54.5)	6.2	(48.3)
32.	Total income taxes	6.6	12.2	18.8

Witnesses: A. Kacicnik
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