

## TAXES

### 1.0 PURPOSE

This evidence presents taxes, including income tax, commodity tax, and property tax, for the regulated nuclear facilities for the 2017-2021 test period, and income taxes for total regulated facilities for the historical and bridge periods.

### 2.0 OVERVIEW

OPG is seeking approval of the 2017 to 2021 nuclear income tax expense of \$(18.4)M, \$(18.4)M, \$(18.4)M, \$51.2M and \$51.7M and property tax expense of \$14.6M, \$14.9M, \$15.3M, \$15.7M and \$17.0M, respectively, as presented in Ex. F4-2-1 Table 2.

For all tax matters for the prescribed facilities addressed in this exhibit OPG has applied the same principles and methodology as in EB-2013-0321. Taxes included in the determination of Bruce Lease net revenues are discussed in Ex. G2-2-1.

### 3.0 INCOME TAX EXPENSE

#### 3.1 Calculation of Regulatory Income Tax Expense

Under the *Electricity Act, 1998*, OPG is required to make payments in lieu of corporate income taxes to the Ontario Electricity Financial Corporation (“OEF”) and to file federal and provincial income tax returns with the Ontario Ministry of Finance. The tax payments are calculated in accordance with the *Income Tax Act* (Canada) and the *Taxation Act, 2007* (Ontario), as modified by the *Electricity Act, 1998* and related regulations. This effectively results in OPG paying taxes similar to what would be imposed under federal and Ontario tax legislation.

OPG continues to use the taxes payable method for determining regulatory income taxes for its prescribed assets. Under the taxes payable method, only the current income tax expense is reflected in the revenue requirement. Regulatory income taxes are determined by applying the statutory tax rates to the regulatory taxable income of the prescribed facilities and

1 reducing the resulting amount by recognized investment tax credits (“ITCs”) for qualifying  
2 Scientific Research and Experimental Development (“SR&ED”) expenditures. There have  
3 been no changes in the statutory income tax rates in the historic period and none are  
4 forecast in the bridge or test periods. SR&ED ITCs are discussed in section 3.4.

5  
6 Regulatory taxable income is computed by making additions and deductions to regulatory  
7 earnings before tax for items affected by differences in regulatory accounting treatment and  
8 tax treatment reflecting applicable requirements of the tax legislation. These additions and  
9 deductions are described in the next section, and are detailed in the calculation of regulatory  
10 income taxes in Ex. F4-2-1 Table 3 for 2013 to 2016 and Ex. F4-2-1 Table 3a for 2017 to  
11 2021.

12  
13 As in EB-2013-0321, regulatory income taxes for the historical and bridge periods continue to  
14 be determined by applying statutory tax rates to the regulatory taxable income of the  
15 combined prescribed nuclear and hydroelectric facilities, less SR&ED ITCs. Total regulatory  
16 income taxes are then allocated based on each business’ regulatory taxable income, while  
17 SR&ED ITCs are predominantly directly attributed to each business unit based on the  
18 underlying expenditures giving rise to the ITCs.

19  
20 For nuclear ratemaking purposes for 2017 to 2021, the forecast regulatory income tax is  
21 presented for the prescribed nuclear facilities only, and is determined by applying statutory  
22 tax rates to the forecast regulatory taxable income of these facilities, less corresponding  
23 forecast SR&ED ITCs. In a situation where a tax loss is forecast for the nuclear business unit  
24 in a given year of the test period, the loss is applied (carried back or carried forward) to  
25 reduce the nuclear business unit’s taxable income in other years of the test period, with any  
26 remaining tax losses carried forward to future test periods. This approach is consistent with  
27 the cost allocation principle of direct assignment, whereby costs directly related to a business  
28 unit are directly assigned to that business unit.

29  
30 As discussed in section 3.3, the income tax impacts associated with amounts recorded in  
31 variance and deferral accounts continue to be considered in the calculation of regulatory

1 taxable income in the periods they are recovered from or refunded to ratepayers, rather than  
2 the periods in which these amounts arise. Therefore, additions or deductions that reverse  
3 amounts reflected in regulatory earnings before tax are presented net of any corresponding  
4 additions recorded in variance and deferral accounts in the period, and any return on rate  
5 base recorded in deferral or variance accounts in the period is also reversed.

6  
7 In Attachment 1, OPG is providing, as confidential material, the most recent corporate  
8 income tax returns and the associated notices of assessment. The returns are for the 2014  
9 taxation years, for the same companies included in EB-2013-0321. Ex. F4-2-1 Table 4  
10 presents the reconciliation of OPG's consolidated taxable income based on its 2014 tax  
11 returns to the calculation of the regulatory taxable income for the prescribed facilities for that  
12 year.

### 13 14 **3.2 Description of Additions and Deductions to Regulatory Earnings Before Tax**

#### 15 **3.2.1 Depreciation and Amortization/Capital Cost Allowance**

16 Accounting depreciation and amortization of fixed/intangible assets is not deductible for  
17 income tax purposes; however, capital cost allowance ("CCA") is deductible. Therefore,  
18 depreciation and amortization expense is an addition to earnings before tax, while CCA is  
19 deducted from earnings before tax. Accounting depreciation and amortization of  
20 fixed/intangible assets for the prescribed facilities is determined as described in Ex. F4-1-1.

21  
22 The amount of depreciation/amortization expense added back in Ex. F4-2-1 Tables 3, for  
23 2013 to 2016, is net of depreciation amounts for the prescribed facilities recorded (or  
24 forecasted to be recorded) in the year as additions to the Nuclear Liability Deferral Account,  
25 the Capacity Refurbishment Variance Account, the Pickering Life Extension Depreciation  
26 Variance Account, and, in 2016, the Niagara Tunnel Project Pre-December 2008  
27 Disallowance Variance Account and the Impact Resulting from Changes in Station End-of-  
28 Life Dates (December 31, 2015) Deferral Account.

29

1 OPG's 2014 income tax returns provided in Attachment 1 include the calculations of CCA  
2 deductions by applying, by asset class, a prescribed rate to the Undepreciated Capital Cost  
3 balance (i.e. Schedules 8 of Ex. F4-2-1 Attachment 1). These schedules contain  
4 consolidated information for both OPG's regulated and unregulated assets. Undepreciated  
5 Capital Costs ("UCC") and CCA schedules for combined prescribed nuclear and  
6 hydroelectric assets are provided for 2014 to 2016 in Ex. F4-2-1 Tables 5-7 and for the  
7 prescribed nuclear facilities for 2017 to 2021 in Ex. F4-2-1 Tables 8-12.

### 8 9 3.2.2 Nuclear Waste Management Variable Expenses

10 Consistent with the provisions of the *Income Tax Act* (Canada), accounting expenses  
11 accrued by OPG relating to its obligations for decommissioning its nuclear stations and  
12 managing nuclear used fuel and low and intermediate level waste produced by these  
13 facilities (collectively, the "nuclear liabilities") are not deductible for tax purposes. Therefore,  
14 used fuel storage and disposal and low and intermediate level waste management variable  
15 expenses incurred in the period in relation to the prescribed nuclear assets are added back  
16 to earnings before tax. These expenses are presented in Ex. C2-1-1 Table 2, lines 2 and 3.  
17 The amount added back to earnings before tax for these expenses in Ex. F4-2-1 Table 3, for  
18 2013 and 2014, is net of amounts recorded as additions to the Nuclear Liability Deferral  
19 Account and, in 2016, net of amounts forecast to be recorded in the Impact Resulting from  
20 Changes in Station End-of-Life Dates (December 31, 2015) Deferral Account.

### 21 22 3.2.3 Cash Expenditures for Nuclear Waste Management and Decommissioning

23 Cash expenditures incurred and charged against the nuclear liabilities for waste  
24 management and decommissioning activities are generally deductible for tax purposes in  
25 accordance with the regulations under the *Electricity Act, 1998*. The expenditures for the  
26 prescribed nuclear facilities are presented in Ex. C2-1-1 Table 2, line 5.

27  
28 The full amount of cash expenditures relating to the prescribed nuclear assets is presented  
29 at line 14 in Ex. F4-2-1 Table 3 and line 13 in Ex. F4-2-1 Table 3a as a deduction from  
30 earnings before tax. As part of Other additions presented at line 11 in Ex. F4-2-1 Table 3 and  
31 line 10 in Ex. F4-2-1 Table 3a and as noted in section 3.2.8 below, a portion of these

1 expenditures deemed to be capital for tax purposes is added back to earnings before tax in  
2 order to adjust the amount of cash expenditures deducted in arriving at taxable income. The  
3 CCA deduction discussed in section 3.2.1 includes CCA related to these expenditures.

#### 4 3.2.4 Segregated Fund Contributions and Receipts

5 The regulations under the *Electricity Act, 1998* allow OPG a tax deduction for contributions  
6 made to segregated funds pursuant to the Ontario Nuclear Funds Agreement (“ONFA”). The  
7 ONFA contribution schedule based on the current approved ONFA Reference Plan is used to  
8 determine OPG’s contributions to the segregated funds. The contributions for the prescribed  
9 nuclear facilities are presented in Ex. C2-1-1 Table 2, line 14 and are deducted from  
10 earnings before tax.

11  
12 When OPG receives disbursements from the funds for reimbursement of eligible  
13 expenditures, the amounts received are taxable as per the regulations under the *Electricity*  
14 *Act, 1998*. The amounts related to the prescribed nuclear facilities are presented in Ex. C2-1-  
15 1 Table 2 line 15 and are added to earnings before tax.

#### 17 3.2.5 Pension and Other Post-Employment Benefits

18 Pension and other post-employment benefits (“OPEB”) accrual costs recorded by OPG for  
19 accounting purposes (discussed in Ex. F4-3-2) are not deductible for tax purposes per the  
20 provisions of the *Income Tax Act* (Canada). Therefore, these costs are added back to  
21 earnings before tax. OPG’s cash contributions to its registered pension plan as well as the  
22 payments for its OPEB and supplementary pension plans are deductible for tax purposes,  
23 and are reflected as deductions from earnings before tax.

24  
25 The amount added back to earnings before tax for pension and OPEB accrual costs in Ex.  
26 F4-2-1 Table 3, prior to November 1, 2014, is net of amounts recorded in the period as  
27 additions to the Pension and OPEB Cost Variance Account. From November 1, 2014 to the  
28 end of 2016, the amount added back to earnings before tax is net of amounts recorded (or

1 forecasted to be recorded) in the period in the Pension & OPEB Cash Versus Accrual  
2 Differential Deferral Account. For the test period, OPG proposes to limit pension and OPEB  
3 costs included in the nuclear revenue requirement to the forecast cash requirements, while  
4 continuing to record the difference between accrual costs and cash amounts in the Pension  
5 & OPEB Cash Versus Accrual Differential Deferral Account, as further discussed in Ex. F4-3-  
6 2. As such, the amount OPG applies as an addition to earnings before tax for the test period  
7 is the same as the forecast cash amounts deducted from earnings before tax.

8  
9 3.2.6 Adjustment Related to Financing Cost for Nuclear Liabilities

10 The calculation of regulatory earnings before tax adds back an adjustment in respect of the  
11 financing cost (i.e., return on rate base) for the prescribed facilities' portion of the nuclear  
12 liabilities. This adjustment is required as a result of the methodology for the recovery of the  
13 revenue requirement impact of the nuclear liabilities (approved in EB-2007-0905 and applied  
14 in EB-2010-0008 and EB-2013-0321) and the inclusion of tax deductions for nuclear  
15 segregated fund contributions and nuclear waste management and decommissioning cash  
16 expenditures. As part of the approved methodology discussed in Ex. C2-1-1, the revenue  
17 requirement treatment of the nuclear liabilities includes an amount derived by applying the  
18 weighted average accretion rate to the lesser of the average unfunded nuclear liabilities and  
19 the average unamortized asset retirement costs for the prescribed facilities. This amount is  
20 deducted in determining regulatory earnings before tax. For years 2013 to 2021, the  
21 derivation of this amount is presented in Ex. C1-1-1 Tables 1-9, line 7. The segregated fund  
22 contributions also include financing costs related to the nuclear liabilities, as discussed in  
23 section 3.2.4 above. Therefore, an adjustment is included as an addition to regulatory  
24 earnings before tax to remove an otherwise duplicate deduction between the return on rate  
25 base at the weighted average accretion rate and deductions for the nuclear segregated fund  
26 contributions and nuclear liability expenditures. The amount added to earnings before tax in  
27 Ex. F4-2-1 Table 3, for 2013 and 2014, is net of amounts recorded as additions to the  
28 Nuclear Liability Deferral Account and, for 2016, net of amounts forecast to be recorded in  
29 the Impact Resulting from Changes in Station End-of-Life Dates (December 31, 2015)  
30 Deferral Account.

1    3.2.7   Disallowance of Niagara Tunnel Project Expenditures

2    As a result of the OEB's EB-2013-0321 disallowance related to the Niagara Tunnel Project,  
3    in 2014, OPG wrote off the portion of the project expenditures that exceeded the amount  
4    approved for inclusion in rate base. The write off was not deductible for income tax purposes  
5    and was added back to 2014 regulatory earnings before tax. Based on the OEB's EB-2014-  
6    0369 Decision and Order that reduced the original disallowance, a portion of the above write-  
7    off was reversed in 2016. As the reversal is not subject to tax, the amount is deducted from  
8    regulatory earnings before tax in 2016.

9  
10   3.2.8   Other

11   This category includes other required additions or deduction to earnings before tax such as:

- 12       • Nuclear materials and supplies obsolescence expenses recorded for accounting  
13       purposes as part of nuclear base OM&A (as noted in Ex. F2-2-1, section 3.3) that are  
14       not deductible for tax purposes as per the *Income Tax Act* (Canada).
- 15       • Computer equipment expenditures that are expensed for accounting purposes but  
16       must be capitalized and are eligible for CCA deductions for tax purposes.
- 17       • Fifty per cent of OPG's nuclear fuel expense incurred in a given year, which is not  
18       deductible for tax purposes until the following year. Therefore, OPG adds back 50 per  
19       cent of a given year's nuclear fuel expense and deducts 50 per cent of the prior  
20       year's nuclear fuel expense. The resulting net addition or net deduction adjusts  
21       earnings before tax.
- 22       • Meals and entertainment expenses that are subject to the 50 per cent tax deduction  
23       limitation.
- 24       • Adjustment to decrease the reduction for cash expenditures on nuclear waste  
25       management and decommissioning by the portion of the expenditures deemed to be  
26       capital for tax purposes, as discussed in section 3.2.3.

27  
28   **3.3    Regulatory Tax Treatment of Variance and Deferral Account Recovery**

29   Amounts recorded by OPG in variance and deferral accounts in a given period, which are  
30   reported as regulatory assets or liabilities for accounting purposes, typically impact OPG's

1 actual taxable income in a different period. As a result, amounts recognized for accounting  
2 purposes as regulatory assets or liabilities in the period are reversed from regulatory  
3 earnings before tax in determining OPG's actual taxable income (e.g. 21-23 of Ex. F4-2-1  
4 Table 4, col. (a)).

5 For regulatory purposes, as in EB-2013-0321, the tax impact (i.e., tax benefits or costs) to be  
6 recovered from, or provided to, ratepayers of the amounts recorded in variance and deferral  
7 accounts is reflected in the calculation of regulatory taxable income over the same period as  
8 these amounts are recovered from, or refunded to, ratepayers. This approach is intended to  
9 result in the same total tax impact as the actual tax payable by OPG in respect of recovery or  
10 refund of the amounts, considering the entire period from when the variance or deferral  
11 account balance is initially recorded to when the balance is fully recovered or refunded. This  
12 regulatory treatment provides for a matching of costs and benefits in accordance with the  
13 principle that the party who bears a cost should be entitled to any related tax savings or  
14 benefits.

15  
16 In calculating earnings, the balance of the variance and deferral accounts recovered or  
17 refunded through payment amounts in the period is reflected in both the regulated revenues  
18 and the amortization expense (or amortization credit) for that period. Amortization is not  
19 deductible for income tax purposes. Since the amounts of revenue and amortization typically  
20 would be equal and offsetting, there is no net impact on earnings before tax for the period. In  
21 calculating regulatory income taxes, no adjustment to regulatory earnings before tax is made  
22 for the amortization, subject to the discussion below, because the amount that would  
23 otherwise be added back to, or deducted from, earnings before tax as amortization  
24 expense/credit is the same as the amount that would be deducted from, or added back to,  
25 earnings before tax in order to attribute the associated benefit or cost to ratepayers.

26  
27 To the extent that there is no tax benefit/cost to be matched to the variance or deferral  
28 account recovery or refund, there is a net income tax impact associated with the amounts  
29 recorded in these accounts. In instances where this impact is not otherwise reflected in the  
30 account balance itself, an adjustment to regulatory earnings before tax is required.



1  
2 The Nuclear Liability Deferral Account, the Capacity Refurbishment Variance Account, the  
3 Pension and OPEB Cost Variance Account and, in 2016, the Impact Resulting from Changes  
4 in Station End-of-Life Dates (December 31, 2015) Deferral Account are the principal  
5 accounts that record amounts for the prescribed facilities that do not have a matching tax  
6 benefit. These accounts reflect the associated income tax impacts as part of amounts  
7 recorded in the account, and therefore no adjustment to earnings before tax is required in  
8 respect of the recovery of these balances. With respect to the Pension & OPEB Cash  
9 Versus Accrual Differential Deferral Account, per the OEB's findings in the EB-2013-0321  
10 Payment Amounts Order, the associated income tax impacts are not recorded in the account  
11 and, as the OEB noted in that order, can be addressed at the time that a determination is  
12 made regarding the account balance.<sup>1</sup>

13  
14 An adjustment to regulatory earnings before tax continues to be required to address the  
15 impact of the regulatory treatment of the Bruce Lease net revenues on the disposition of the  
16 Bruce Lease Net Revenues Variance Account. The forecast net revenues from the Bruce  
17 Lease are applied against OPG's nuclear revenue requirement and therefore the earnings  
18 before tax for the prescribed facilities as shown in Ex. F4-2-1 Table 3b, note 1. To the extent  
19 that there is a difference between the forecast and actual net revenues from the Bruce Lease  
20 (i.e., an entry into the Bruce Lease Net Revenues Variance Account), there is a difference in  
21 the regulatory earnings before tax and therefore the taxes for the prescribed facilities. Hence,  
22 an adjustment to regulatory earnings before tax is required in the year of recovery/refund of  
23 the variance recorded in the Bruce Lease Net Revenues Variance Account to ensure that  
24 any over-collection of, or shortfall in, regulatory taxes is also refunded to or recovered from  
25 the ratepayers. Accordingly, the amortization of the Bruce Lease Net Revenues Variance  
26 Account is added back to regulatory earnings before tax, as shown in Ex. F4-2-1, Tables 3  
27 and 3a, line 6. In addition to historical and bridge years, this adjustment is included in 2017

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<sup>1</sup> On page 6 of the EB-2013-0321 Payment Amounts Order, the OEB stated: "The Decision's description of the Pension & OPEB Cash Versus Accrual Differential Deferral Account did not include taxes and the Board finds that this account will not record taxes. When a determination is made regarding the account balance, any tax matters can be addressed at that time."

1 and 2018 to reflect amortization amounts for the variance account proposed in this  
2 Application (see Ex. H1-1-1).

### 3 **3.4 SR&ED Investment Tax Credits**

4 OPG can claim a non-refundable federal ITC equal to 15 per cent (20 per cent prior to 2014)  
5 and an Ontario ITC of 3.5 per cent (4.5 per cent prior to June 1, 2016) of the qualifying  
6 SR&ED expenditures incurred in the year. OPG files annual ITC claims based on qualifying  
7 expenditures identified. The federal ITCs reduce the federal portion of corporate income  
8 taxes otherwise payable and are taxable in the subsequent year. The Ontario ITCs reduce  
9 the Ontario portion of corporate income taxes otherwise payable and are taxable in the year  
10 earned. Effective 2014, previously qualifying SR&ED expenditures of a capital nature (i.e.  
11 equipment) are no longer deductible for tax purposes in the year incurred, nor are eligible for  
12 SR&ED ITCs. These expenditures qualify for CCA deductions over time. Certain  
13 expenditures of a current nature that are capitalized for accounting purposes continue to be  
14 deductible for income tax purposes as SR&ED expenditures and remain eligible for SR&ED  
15 ITCs. These expenditures are deducted from earnings before tax in computing taxable  
16 income.

17  
18 As in EB-2010-0008 and EB-2013-0321, the amount of ITCs recognized for accounting  
19 purposes is determined based on an assessment of the likelihood of their allowance, in  
20 accordance with generally accepted accounting principles. Under US GAAP, the amount of  
21 ITCs recognized in the period is recorded as a reduction to income tax expense for that  
22 period. The reduction to income tax expense for the prescribed facilities is presented at line  
23 27 of Ex. F4-2-1 Table 3 and at line 25 of Ex. F4-2-1 Table 3a.

24  
25 In determining actual and forecast income tax expense, OPG continues to recognize  
26 75 percent of the estimated ITCs for taxation years that are subject to audit. For years the  
27 audit of which has been resolved, OPG adjusts, as needed, the previously recognized  
28 amount to reflect the audit resolution. To the extent the ultimate percentage of recognition  
29 for SR&ED ITCs differs from that applied in reducing regulatory income tax expense reflected

1 in approved payment amounts, OPG records the difference in the Income and Other Taxes  
2 Variance Account.

3  
4 **4.0 INCOME TAX EXPENSE FOR 2013 to 2021**

5 The actual (2013 to 2015) and forecast (2016) annual regulatory income tax expense for the  
6 combined nuclear and regulated hydroelectric prescribed facilities for the historical and  
7 bridge periods and for the nuclear prescribed facilities for 2017 to 2021 has been computed  
8 using the approach described in section 3. The 2013 to 2016 regulatory income tax expense  
9 calculations are shown in Ex. F4-2-1 Table 3. The 2017 to 2021 regulatory income tax  
10 expense calculations (for the nuclear facilities) are shown in Ex. F4-2-1 Table 3a. The  
11 resulting income taxes for the nuclear facilities for the 2013-2021 period are shown in Ex. F4-  
12 2-1 Table 2.

13  
14 The forecast tax expense for the prescribed nuclear assets in the test period years of 2017 to  
15 2021 is \$(18.4)M, \$(18.4)M, \$(18.4)M, \$51.2M and \$51.7M respectively, including SR&ED  
16 ITCs. The negative tax expense shown for 2017 to 2019 represents the forecast amount of  
17 SR&ED ITCs attributed to the nuclear facilities in those years and reflects the carryover of  
18 projected regulatory tax losses arising in 2018 and 2019. The loss of \$45.5M projected in  
19 2018 is first carried back to reduce the regulatory taxable income for 2017 to nil and then,  
20 together with the 2019 loss, is carried forward and fully utilized to reduce the regulatory  
21 taxable income in 2020.

22  
23 Regulatory earnings before tax increase from 2017 to 2019 as rate base increases through  
24 in-service capital for the Darlington Refurbishment Program and other nuclear projects;  
25 however regulatory taxable income (before the application of tax losses) decreases. The  
26 relatively small positive regulatory taxable income in 2017 (before the application of tax  
27 losses) and the losses in 2018 and 2019 are primarily driven by forecast CCA deductions,  
28 primarily on account of Darlington refurbishment expenditures, deductions for ONFA  
29 segregated fund contributions based on the current approved contribution schedule, and  
30 deductions for cash expenditures for nuclear waste management and decommissioning.

1

2 After the application of the losses carried forward from 2018 and 2019, the regulatory taxable  
3 income is projected at \$278.4M in 2020. The forecast increase in the regulatory taxable  
4 income in 2020 is primarily driven by higher regulatory earnings before tax and higher  
5 depreciation expense, both due to a higher nuclear rate base as refurbished Darlington Unit  
6 2 returns to service, and a lower contribution to the segregated funds based on the current  
7 approved contribution schedule. Although the projected 2021 regulatory taxable income of  
8 \$280.2M (and resulting income tax expense) are similar to the 2020 forecast, it is lower than  
9 the 2020 taxable income before the application of the losses. This decrease in 2021 is  
10 largely attributable to lower depreciation and amortization expense related to the Pickering  
11 station, which is assumed to be close to fully depreciated by the end of 2020 based on the  
12 current accounting station end-of-life date. Station end-of-life dates and depreciation and  
13 amortization expense are discussed in Ex. F4-1-1. All forecast regulatory tax losses arising  
14 during the test period are utilized during the test period.

15

16 The negative regulatory income tax expense shown for the nuclear facilities for 2013 largely  
17 represents the regulatory tax loss of \$211.6M in 2013, which was fully utilized by reducing  
18 the income tax expense in the 2014 nuclear revenue requirement approved in EB-2013-  
19 0321.<sup>2</sup> The negative regulatory income tax expense for the nuclear facilities over the 2014-  
20 2016 period primarily reflects directly assigned SR&ED ITCs related to those years.

21

22

## 23 **5.0 COMMODITY TAX**

24 Pursuant to the *Excise Tax Act* (Canada) OPG is subject to the 13 per cent Harmonized  
25 Sales Tax (“HST”) on almost all of its purchases of goods and services. The recoverable  
26 portion of HST paid by OPG is claimed as input tax credits on returns filed monthly. The  
27 recoverable portion of HST forecast to be paid is therefore not included in the revenue  
28 requirement. The non-recoverable portion, which results from the restrictions pursuant to the  
29 *Excise Tax Act* (Canada) (i.e., restricted input tax credits), forms part of the cost of the

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<sup>2</sup> EB-2013-0321 Payment Amounts Order, Table 7a, Note 5

1 underlying item (e.g., OM&A, capital, inventory, etc.) and continues to be included either in  
2 the test period forecasts for these items or Other centrally held costs presented in Ex. F4-4-  
3 1. OPG's purchases of energy (electricity, gas, steam, fuel) for non-production purposes are  
4 examples of items subject to restricted input tax credits. As in EB-2010-0008 and EB-2013-  
5 0321, the impact of HST is also incorporated into the computation of the cash working capital  
6 component of rate base presented in Ex. B1-1-2.

7  
8 Since the introduction of HST in Ontario effective July 1, 2010 and prior to July 1, 2015, the  
9 restriction on input tax credits for the specified purchases was applied at the rate of 100% on  
10 the provincial component of the tax. Effective July 1, 2015 the restriction rate has been  
11 reduced to 75%. The restriction on full input tax credits will continue to be gradually phased  
12 out through further reductions in the restriction rates: 50% effective July 1, 2016, 25%  
13 effective July 1, 2017 and 0% effective July 1, 2018.

14  
15 Where applicable, OPG continues to pay duty under the *Customs Act* (Canada) on goods  
16 imported into Canada; however, most of these imports continue to be either exempt or have  
17 duty free status through the North American Free Trade Agreement. For supply and  
18 installation contracts, the contractor's price includes duty, if applicable, on the goods  
19 imported to perform the work. Any duty paid forms part of the cost of the underlying item.

## 20 21 **6.0 PROPERTY TAX EXPENSE**

22 The nature, basis, and components of OPG's property tax expense are unchanged from the  
23 evidence presented in EB-2013-0321 and EB-2010-0008. OPG remains responsible for both  
24 the payment of municipal property taxes and a payment in lieu of property tax to the OEFC.  
25 The total of these two payments is intended to represent what a commercial generating  
26 company would pay as property tax, based on full Current Value Assessment ("CVA"), and  
27 represents OPG's property tax expense. OPG's property tax expense for the regulated  
28 nuclear facilities is presented in Ex. F4-2-1 Table 2, for the historical, bridge periods and test  
29 period years. The property tax expense for the regulated nuclear facilities increases

1 relatively gradually over the bridge and test periods, reflecting differences in municipal  
2 property tax rates and changes in property assessment values.

3  
4 Municipal property taxes paid by OPG for properties that are not directly associated with  
5 specific generation business units and are held centrally continue to form part of the asset  
6 service fees, as discussed in Ex. F3-2-1. Property taxes associated with the Bruce assets  
7 are presented separately in Ex. G2-2-1.

### 8 9 **6.1 Municipal Property Taxes**

10 Municipal property taxes are regulated under the *Assessment Act, R.S.O. 1990* (the "Act").  
11 For prescribed nuclear and Bruce assets, property tax payments to municipalities continue to  
12 be paid based on a statutory assessment rate of \$86.11 per square meter for most of the  
13 ground floor area of "generating" buildings (e.g., buildings that are used in, or auxiliary to, the  
14 generating process, such as a powerhouse, water treatment plant, pump houses, etc.)  
15 pursuant to the Act, and at CVA for "non-generating" buildings (e.g., administration/office  
16 buildings). For both "generating" and "non-generating" buildings, the Municipal Property  
17 Assessment Corporation issues notices of assessments annually. Additionally, for  
18 "generating" buildings, OPG continues to be subject to payment in lieu of property tax  
19 discussed below.

### 20 21 **6.2 Payment in Lieu of Property Tax**

22 Payment in lieu of property tax is regulated through O. Reg. 224/00 under the *Electricity Act,*  
23 *1998* and is paid to the OEFC. The payment in lieu of property tax represents taxes based on  
24 the difference between CVA and the prescribed municipal assessment rate of \$86.11 per  
25 square meter for most of the ground floor area of certain generating assets.

26  
27 As previously noted in EB-2013-0321, EB-2010-0008 and EB-2007-0905, the assessment  
28 basis under O. Reg. 224/00 has not been updated since 1999. Consequently, the CVA used  
29 for payment in lieu of property tax calculations and the payments in lieu of tax amounts  
30 themselves remain subject to a possible update. Property tax expense forecasts for all years  
31 presented in this Application assume that O. Reg. 224/00 will not be updated in those years.

1 Changes in property taxes resulting from a change in O. Reg. 224/00 would be recorded in  
2 the Income and Other Taxes Variance Account, as per the OEB-approved scope of the  
3 account.

4

**ATTACHMENTS**

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12

Attachment 1: Income Tax Returns and associated Notices of Assessment for 2014  
(filed separately requesting treatment as confidential material)

Includes:

Part 1 – T2 Corporation Income Tax Return Ontario Power Generation Inc.

Part 2 – T2 Corporation Income Tax Return OPG – Huron A Inc.

Part 3 – T2 Corporation Income Tax Return OPG – Huron B Inc.

Part 4 – T2 Corporation Income Tax Return OPG – Huron Common Facilities  
Inc.

Part 5 – Notice of Assessment – Hydro Payment in Lieu



Numbers may not add due to rounding.

Filed: 2016-05-27  
EB-2016-0152  
Exhibit F4  
Tab 2  
Schedule 1  
Table 1

Table 1  
Taxes - Regulated Hydroelectric (\$M)  
**Intentionally left blank (See Ex. A1-3-1)**

Numbers may not add due to rounding.

Updated: 2016-11-10  
 EB-2016-0152  
 Exhibit F4  
 Tab 2  
 Schedule 1  
 Table 2

Table 2  
Taxes - Nuclear (\$M)

Line No.	Cost Item	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	<b>Income Tax<sup>1,2</sup></b>	(76.4)	(61.5)	(31.8)	(18.7)	(18.4)	(18.4)	(18.4)	51.2	51.7
	<b>Property Tax:</b>									
2	<b>Darlington NGS</b>	8.7	8.3	8.3	8.5	9.2	9.4	9.6	9.9	10.7
3	<b>Pickering NGS</b>	4.9	4.9	4.9	5.0	5.4	5.5	5.7	5.8	6.3
4	<b>Sub-total</b>	13.6	13.2	13.2	13.5	14.6	14.9	15.3	15.7	17.0
5	<b>Total</b>	(62.8)	(48.3)	(18.6)	(5.2)	(3.8)	(3.5)	(3.1)	66.9	68.7

Notes:

- 1 The income tax expense is calculated on a combined basis for OPG's prescribed facilities for the years 2013 to 2016. As described in Ex. F4-2-1, the resulting expense is allocated between the regulated hydroelectric and nuclear businesses on the basis of each business's taxable income, and for SR&ED ITCs, on the basis of the underlying expenditures.
- 2 Amounts for 2017 to 2021 are from Ex. F4-2-1 Table 3a, line 26.

Numbers may not add due to rounding.

Filed: 2016-05-27  
 EB-2016-0152  
 Exhibit F4  
 Tab 2  
 Schedule 1  
 Table 3

Table 3  
 Calculation of Regulatory Income Taxes for Prescribed Facilities (\$M)  
Years Ending December 31, 2013-2016

Line No.	Particulars	Note	2013 Actual	2014 Actual	2015 Actual	2016 Budget
			(a)	(b)	(c)	(d)
	<b>Determination of Regulatory Taxable Income</b>					
1	Regulatory Earnings Before Tax	1	(56.7)	271.6	162.2	162.2
	<b>Additions for Regulatory Tax Purposes:</b>					
2	Depreciation and Amortization		319.1	395.8	437.6	458.3
3	Nuclear Waste Management Expenses		25.1	31.3	57.7	60.0
4	Receipts from Nuclear Segregated Funds		44.7	42.3	41.1	66.1
5	Pension and OPEB Accrual		305.3	384.8	439.6	437.9
6	Regulatory Asset Amortization - Bruce Lease Net Revenues Variance Acct		62.9	41.9	49.5	165.3
7	Regulatory Liability Amortization - Income and Other Taxes Variance Acct		(18.7)	(12.4)	(4.5)	(8.9)
8	Adjustment Related to Financing Cost for Nuclear Liabilities		76.8	75.2	70.3	65.8
9	Disallowance of Niagara Tunnel Project Expenditures		0.0	77.2	2.1	(21.6)
10	Taxable SR&ED Investment Tax Credits		28.4	19.2	62.3	18.7
11	Other		20.2	39.4	61.1	61.8
12	<b>Total Additions</b>		<b>863.8</b>	<b>1,094.7</b>	<b>1,216.8</b>	<b>1,303.3</b>
	<b>Deductions for Regulatory Tax Purposes:</b>					
13	CCA	2,3	307.7	404.3	425.7	513.8
14	Cash Expenditures for Nuclear Waste Management & Decommissioning		104.7	109.1	126.3	162.2
15	Contributions to Nuclear Segregated Funds		98.1	170.1	172.8	176.7
16	Pension Plan Contributions		242.9	322.5	331.3	326.6
17	OPEB/SPP Payments		81.9	97.0	108.3	111.3
18	Reversal of Return on Rate Base Recorded in Deferral and Variance Accounts		50.9	55.0	0.4	12.0
19	Deductible SR&ED Qualifying Expenditures		130.9	174.8	40.3	28.5
20	Other		1.6	11.0	6.7	24.2
21	<b>Total Deductions</b>		<b>1,018.7</b>	<b>1,343.7</b>	<b>1,211.7</b>	<b>1,355.3</b>
22	Regulatory Taxable Income Before Tax Loss Carry-Over (line 1 + line 12 - line 21)	4	(211.6)	22.7	167.3	110.2
23	Tax Loss Carry-Over	5	0.0	0.0	0.0	0.0
24	Regulatory Taxable Income After Tax Loss Carry-Over (line 22 + line 23)		(211.6)	22.7	167.3	110.2
25	Regulatory Income Taxes - Federal (line 24 x line 29)		(31.7)	3.4	25.1	16.5
26	Regulatory Income Taxes - Provincial (line 24 x line 30)		(21.2)	2.3	16.7	11.0
27	Regulatory Income Taxes - SR&ED Investment Tax Credits		(23.6)	(61.7)	(31.9)	(18.8)
28	<b>Total Regulatory Income Taxes (line 25 + line 26 + line 27)</b>		<b>(76.5)</b>	<b>(56.0)</b>	<b>9.9</b>	<b>8.7</b>
	<b>Income Tax Rate:</b>					
29	Federal Tax		15.00%	15.00%	15.00%	15.00%
30	Provincial Tax net of Manufacturing & Processing Profits Deduction		10.00%	10.00%	10.00%	10.00%
31	<b>Total Income Tax Rate</b>		<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>

For notes see Table 3b.

Numbers may not add due to rounding.

Filed: 2016-05-27  
 EB-2016-0152  
 Exhibit F4  
 Tab 2  
 Schedule 1  
 Table 3a

Table 3a  
 Calculation of Regulatory Income Taxes for Prescribed Nuclear Facilities (\$M)  
 Years Ending December 31, 2017-2021

Line No.	Particulars	Note	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan
			(a)	(b)	(c)	(d)	(e)
	<b>Determination of Regulatory Taxable Income</b>						
1	Regulatory Earnings Before Tax	1	198.3	214.2	222.8	470.8	503.2
	<b>Additions for Regulatory Tax Purposes:</b>						
2	Depreciation and Amortization		346.9	378.7	384.0	524.9	338.1
3	Nuclear Waste Management Expenses		57.8	59.8	72.1	61.9	63.1
4	Receipts from Nuclear Segregated Funds		85.0	108.3	140.0	208.4	191.6
5	Pension and OPEB Accrual	6	272.0	280.4	289.5	271.3	279.9
6	Regulatory Asset Amortization - Bruce Lease Net Revenues Variance Acct		(24.0)	(24.0)	0.0	0.0	0.0
7	Regulatory Liability Amortization - Income and Other Taxes Variance Acct		(2.2)	(2.2)	0.0	0.0	0.0
8	Adjustment Related to Financing Cost for Nuclear Liabilities		39.6	37.1	34.5	31.9	30.2
9	Taxable SR&ED Investment Tax Credits		18.4	18.4	18.4	18.4	18.4
10	Other		63.7	49.2	38.4	38.6	40.2
11	<b>Total Additions</b>		<b>857.2</b>	<b>905.7</b>	<b>976.8</b>	<b>1,155.4</b>	<b>961.4</b>
	<b>Deductions for Regulatory Tax Purposes:</b>						
12	CCA	2,3	394.2	504.4	571.1	594.8	597.0
13	Cash Expenditures for Nuclear Waste Management & Decommissioning		166.0	177.4	200.6	230.7	228.0
14	Contributions to Nuclear Segregated Funds		156.1	175.3	265.7	35.2	35.2
15	Pension Plan Contributions		171.1	175.5	180.3	157.2	162.1
16	OPEB/SPP Payments		100.9	104.9	109.2	114.1	117.8
17	Deductible SR&ED Qualifying Expenditures		27.7	27.7	27.7	27.7	27.7
18	Other		20.3	0.1	1.1	5.7	16.5
19	<b>Total Deductions</b>		<b>1,036.2</b>	<b>1,165.4</b>	<b>1,355.7</b>	<b>1,165.4</b>	<b>1,184.3</b>
20	Regulatory Taxable Income Before Tax Loss Carry-Over (line 1 + line 11 - line 19)		19.3	(45.5)	(156.1)	460.7	280.2
21	Tax Loss Carry-Over	5	(19.3)	45.5	156.1	(182.3)	0.0
22	Regulatory Taxable Income After Tax Loss Carry-Over (line 20 + line 21)		0.0	0.0	0.0	278.4	280.2
23	Regulatory Income Taxes - Federal (line 22 x line 27)		0.0	0.0	0.0	41.8	42.0
24	Regulatory Income Taxes - Provincial (line 22 x line 28)		0.0	0.0	0.0	27.8	28.0
25	Regulatory Income Taxes - SR&ED Investment Tax Credits		(18.4)	(18.4)	(18.4)	(18.4)	(18.4)
26	<b>Total Regulatory Income Taxes (line 23 + line 24 + line 25)</b>		<b>(18.4)</b>	<b>(18.4)</b>	<b>(18.4)</b>	<b>51.2</b>	<b>51.7</b>
	<b>Income Tax Rate:</b>						
27	Federal Tax		15.00%	15.00%	15.00%	15.00%	15.00%
28	Provincial Tax net of Manufacturing & Processing Profits Deduction		10.00%	10.00%	10.00%	10.00%	10.00%
29	<b>Total Income Tax Rate</b>		<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>

For notes see Table 3b.

Numbers may not add due to rounding.

Filed: 2016-05-27  
EB-2016-0152  
Exhibit F4  
Tab 2  
Schedule 1  
Table 3b

Table 3b  
Notes to Table 3 and 3a  
Calculation of Regulatory Income Taxes  
Years Ending December 31, 2017-2021

Notes:

- 1 Nuclear Regulatory Earnings Before Tax for 2016 are from Ex. I1-1-1, Table 4, line 20. Regulatory Earnings Before Tax for 2017-2021 are calculated as follows :

Line No.	Item	Reference	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan
			(e)	(f)	(g)	(h)	(i)
1a	After Tax Return on Equity - Prescribed Nuclear Facilities	Ex. I1-1-1, Table 1, line 12	150.6	158.2	155.3	337.5	358.4
2a	Less: Bruce Lease Net Revenues		(66.1)	(74.3)	(85.9)	(82.1)	(93.1)
3a		line 1a - line 2a	216.7	232.6	241.2	419.5	451.5
4a	Additions for Regulatory Tax Purposes	line 11	857.2	905.7	976.8	1,155.4	961.4
5a	Deductions for Regulatory Tax Purposes	line 19	1,036.2	1,165.4	1,355.7	1,165.4	1,184.3
6a		line 3a + line 4a - line 5a	37.7	(27.1)	(137.7)	409.5	228.6
7a	Regulatory Income Taxes - Federal	(lines 6a + 13a + 25) x line 27 / (1 - line 29)	2.9	(6.8)	(23.4)	69.1	42.0
8a	Regulatory Income Taxes - Provincial	(lines 6a + 13a + 25) x line 28 / (1 - line 29)	1.9	(4.5)	(15.6)	46.1	28.0
9a	Regulatory Income Taxes - SR&ED Investment Tax Credits	line 25	(18.4)	(18.4)	(18.4)	(18.4)	(18.4)
10a	Total Regulatory Income Taxes Before Loss Carry-Over	line 7a + line 8a + line 9a	(13.6)	(29.8)	(57.4)	96.8	51.7
11a	Decrease in Regulatory Income Taxes Due to Tax Loss Carry-Over - Federal	line 21 x line 27	(2.9)	6.8	23.4	(27.3)	0.0
12a	Decrease in Regulatory Income Taxes Due to Tax Loss Carry-Over - Provincial	line 21 x line 28	(1.9)	4.6	15.6	(18.2)	0.0
13a	Reduction in Total Regulatory Income Taxes Due to Loss Carry-Over	line 11a + line 12a	(4.8)	11.4	39.0	(45.6)	0.0
14a	Regulatory Income Taxes After Tax Loss Carry-Over - Federal	line 7a + line 11a	0.0	0.0	0.0	41.8	42.0
15a	Regulatory Income Taxes After Tax Loss Carry-Over - Provincial	line 8a + line 12a	0.0	0.0	0.0	27.8	28.0
16a	Regulatory Income Taxes - SR&ED Investment Tax Credits	line 25	(18.4)	(18.4)	(18.4)	(18.4)	(18.4)
17a	Total Regulatory Income Taxes After Tax Loss Carry-Over	line 14a + line 15a + line 16a	(18.4)	(18.4)	(18.4)	51.2	51.7
18a	After Tax Return on Equity	line 1a	150.6	158.2	155.3	337.5	358.4
19a	Less: Bruce Lease Net Revenues		(66.1)	(74.3)	(85.9)	(82.1)	(93.1)
20a	Add: Total Regulatory Income Taxes After Tax Loss Carry-Over	line 17a	(18.4)	(18.4)	(18.4)	51.2	51.7
21a	Regulatory Earnings Before Tax	lines 18a - 19a + 20a	198.3	214.2	222.8	470.8	503.2

- 2 Amounts for 2014-2021 are from Ex. F4-2-1 Tables 5-12, line 20, col (j) - col. (i), respectively.
- 3 As noted in EB-2013-0321, OPG has elected to claim early CCA for the Darlington Refurbishment Project expenditures available under the Income Tax Act (Canada). Resulting total annual CCA for the Darlington Refurbishment Project expenditures is as follows: 2014 - \$33.2M, 2015 - \$66.7M, 2016 - \$123.5M, 2017 - \$183.1M, 2018 - \$283.7M, 2019 - \$354.4M, 2020 - \$380.8M, 2021 - \$383.2M
- 4 The tax loss for 2013 is as shown in EB-2013-0321 Ex J13.4, Att. 1, line 33, col. (8). The loss was utilized by being applied to reduce the 2014 revenue requirement in the EB-2013-0321 Payment Amounts Order.
- 5 As discussed in Ex. F4-2-1, section 3.1, in a situation where a tax loss is forecast in a given year(s) of the test period, the loss is applied (carried back or carried forward) to reduce the nuclear business unit's taxable income in other years of the test period, with any remaining tax losses carried forward to future test periods.
- 6 As discussed in Ex. F4-2-1, section 3.2.5 and Ex. F4-3-2, OPG proposes to limit pension and OPEB costs included in the test period nuclear revenue requirement to the forecast cash requirements, while continuing to record the difference between accrual costs and cash amounts in the Pension & OPEB Cash Versus Accrual Differential Deferral Account. As such, the amount added back to earnings before tax for the test period in respect of pension and OPEB costs at line 5 is set equal to the forecast cash amounts deducted from earnings before tax at lines 15 and 16.

Table 4  
Reconciliation of OPG's Tax Returns to Regulatory Income Tax Calculation for Prescribed Facilities (\$M)  
Year Ending December 31, 2014

Line No.	Particulars	2014 Tax Returns					Adjustments		(e) - (f) - (g) Regulatory Tax Calc'n <sup>5</sup>
		OPG Inc.	Subsidiaries	(a) + (b) Total <sup>1</sup>	Unregulated	(c) - (d) Regulated <sup>2</sup>	Bruce Lease <sup>3</sup>	Other Adjustments <sup>4</sup>	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
<b>Determination of Taxable Income</b>									
1	Earnings Before Tax	793.3	(86.9)	706.4	92.6	613.8	135.6	206.6	271.6
<b>Additions for Tax Purposes:</b>									
2	Depreciation and Amortization	454.5	103.3	557.8	29.4	528.4	104.0	28.6	395.8
3	Nuclear Waste Management Expenses (incl Accretion Expense)	967.1	0.0	967.1	0.0	967.1	449.4	486.4	31.3
4	Receipts from Nuclear Segregated Funds	76.3	0.0	76.3	0.0	76.3	34.0	0.0	42.3
5	Pension and OPEB Accrual	752.8	0.0	752.8	78.6	674.2	0.0	289.4	384.8
6	Regulatory Asset Amortization - Nuclear Liability Deferral Account	49.9	0.0	49.9	0.0	49.9	0.0	49.9	0.0
7	Regulatory Asset Amortization - Bruce Lease Net Revenues	41.9	0.0	41.9	0.0	41.9	0.0	0.0	41.9
8	Regulatory Liability Amortization - Income and Other Taxes Variance Account	(14.1)	0.0	(14.1)	0.0	(14.1)	0.0	(1.7)	(12.4)
9	Regulatory Asset Amortization - Tax Loss Variance Account	120.6	0.0	120.6	0.0	120.6	0.0	120.6	0.0
10	Regulatory Asset and Liability Amortization - Other Variance and	84.3	0.0	84.3	0.0	84.3	0.0	84.3	0.0
11	Adjustment Related to Financing Cost for Nuclear Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	(75.2)	75.2
12	Taxable SR&ED Investment Tax Credits	20.2	0.0	20.2	1.0	19.2	0.0	0.0	19.2
13	Disallowance of Niagara Tunnel Project Expenditures	77.2	0.0	77.2	0.0	77.2	0.0	0.0	77.2
14	Other	117.6	0.0	117.6	16.6	101.1	49.2	12.4	39.4
15	<b>Total Additions</b>	<b>2,748.3</b>	<b>103.3</b>	<b>2,851.6</b>	<b>125.6</b>	<b>2,726.1</b>	<b>636.6</b>	<b>994.7</b>	<b>1,094.7</b>
<b>Deductions for Tax Purposes:</b>									
16	CCA	495.6	5.1	500.7	88.3	412.4	5.3	2.9	404.3
17	Cash Expenditures for Nuclear Waste Mngmt & Decommissioning and Facilities Removal	209.1	0.0	209.1	0.0	209.1	100.1	0.0	109.1
18	Contributions to and Earnings on Nuclear Segregated Funds	959.6	0.0	959.6	0.0	959.6	380.5	409.0	170.1
19	Pension Plan Contributions	360.0	0.0	360.0	37.5	322.5	0.0	(0.0)	322.5
20	OPEB/SPP Payments	108.5	0.0	108.5	11.5	97.0	0.0	0.0	97.0
21	Reversal of Nuclear Liability Deferral Account Additions	66.9	0.0	66.9	0.0	66.9	0.0	66.9	0.0
22	Reversal of Pension and OPEB Deferral and Variance Account Additions	296.0	0.0	296.0	0.0	296.0	0.0	296.0	0.0
23	Reversal of Regulatory Asset and Liability - Other Deferral and Variance Account Additions	104.7	0.0	104.7	0.0	104.7	0.0	104.7	0.0
24	Reversal of Return on Rate Base Recorded in Capacity Refurbishment Variance Account	0.0	0.0		0.0	0.0	0.0	(55.0)	55.0
25	Deductible SR&ED Qualifying Expenditures	180.6	0.0	180.6	5.8	174.8	0.0	0.0	174.8
26	Construction In Progress Interest Capitalized	61.0	0.0	61.0	6.7	54.3	0.0	54.3	0.0
27	Other	307.2	0.0	307.2	239.1	68.1	58.9	(1.7)	11.0
28	<b>Total Deductions</b>	<b>3,149.2</b>	<b>5.1</b>	<b>3,154.3</b>	<b>388.9</b>	<b>2,765.4</b>	<b>544.7</b>	<b>877.0</b>	<b>1,343.7</b>
29	<b>Taxable Income</b> (line 1 + line 15 - line 28)	<b>392.4</b>	<b>11.3</b>	<b>403.7</b>	<b>(170.7)</b>	<b>574.5</b>	<b>227.5</b>	<b>324.3</b>	<b>22.7</b>

Notes:

- 1 Represents the consolidated OPG amounts. Earnings Before Tax at line 1 are as reported in OPG's 2014 audited consolidated financial statements and found at Ex. A2-1-1, Att. 2, p. 111.
- 2 Represents amounts for OPG's "regulated" segments as reported in accordance with generally accepted accounting principles in OPG's audited consolidated financial statements.
- 3 Represents Bruce Lease net revenues included in col. (e). Bruce Lease earnings before tax at line 1 are as per Ex. G2-2-1 Table 7, col. (b), line 1 and taxable income at line 34 as per Ex. G2-2-1 Table 7, col. (b), line 17
- 4 Represents items of income and expense reflected in OPG's income tax returns that do not form part of the regulatory income tax calculations as per OEB-approved methodology, and vice versa, as well as as line item presentation differences between the tax returns and the regulatory income tax calculation that do not impact taxable income
- 5 Amounts are as shown in Ex. F4-2-1 Table 3, col. (b).

Numbers may not add due to rounding.

Filed: 2016-05-27  
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 Exhibit F4  
 Tab 2  
 Schedule 1  
 Table 5

Table 5  
 Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Operations (\$M)  
Year Ending December 31, 2014

Line No.	Class	Undepreciated Capital Cost at Beginning of Year	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	1	2,395.2	85.3	(77.3)	0.0	2,403.2	42.6	2,360.6	4%	0.0	94.4	2,308.8
2	1-rolling start	349.3	35.0	0.0	0.0	384.4	0.0	384.4	4%	0.0	15.4	369.0
3	1.1	176.8	7.6	2.3	0.0	186.6	3.8	182.8	6%	0.0	11.0	175.6
4	1.1-rolling start	73.0	0.0	0.0	0.0	73.0	0.0	73.0	6%	0.0	4.4	68.6
5	2	1,776.6	0.0	0.0	0.0	1,776.6	0.0	1,776.6	6%	0.0	106.6	1,670.0
6	3	0.4	0.0	0.0	0.0	0.4	0.0	0.4	5%	0.0	0.0	0.3
7	6	0.0	4.1	0.0	0.0	4.1	2.1	2.1	10%	0.0	0.2	3.9
8	8	300.4	50.1	2.3	0.9	351.9	24.6	327.3	20%	0.0	65.5	286.5
9	8-rolling start	2.4	0.0	0.0	0.0	2.4	0.0	2.4	20%	0.0	0.5	1.9
10	10	15.7	0.3	0.0	0.2	15.9	0.2	15.7	30%	0.0	4.7	11.2
11	12	6.3	8.1	0.0	0.0	14.4	4.1	10.3	100%	0.0	10.3	4.1
12	13	3.0	1.0	0.0	0.0	4.0	0.5	3.5	N/A	0.0	0.7	3.3
13	17	780.9	196.4	(2.0)	0.0	975.4	98.2	877.2	8%	0.0	70.2	905.2
14	17-rolling start	23.9	117.2	0.0	0.0	141.2	0.0	141.2	8%	0.0	11.3	129.9
15	42	4.5	0.0	0.0	0.0	4.5	0.0	4.5	12%	0.0	0.5	4.0
16	43.1	0.3	0.0	0.0	0.0	0.3	0.0	0.3	30%	0.0	0.1	0.2
17	43.2	9.6	2.7	0.0	0.0	12.3	1.3	10.9	50%	0.0	5.5	6.8
18	45	0.2	0.0	0.0	0.0	0.2	0.0	0.2	45%	0.0	0.1	0.1
19	50	4.6	1.5	0.0	0.0	6.1	0.8	5.4	55%	0.0	2.9	3.2
20	<b>Total</b>	5,923.1	509.4	(74.6)	1.1	6,356.8	178.1	6,178.7		0.0	404.3	5,952.6

Notes:

1 Net amount at line 20 represents capital expenditures on the Niagara Tunnel Project in excess of the amount allowed in rate base in EB-2013-0321.

Numbers may not add due to rounding.

Filed: 2016-05-27  
 EB-2016-0152  
 Exhibit F4  
 Tab 2  
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 Table 6

Table 6  
 Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Operations (\$M)  
Year Ending December 31, 2015

Line No.	Class	Undepreciated Capital Cost at Beginning of Year	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	1	2,308.8	60.9	(73.6)	0.0	2,296.1	30.4	2,265.7	4%	0.0	90.6	2,205.5
2	1-rolling start	369.0	0.0	(23.6)	0.0	345.4	0.0	345.4	4%	0.0	13.8	331.5
3	1.1	175.6	55.6	97.8	0.0	329.0	27.8	301.2	6%	0.0	18.1	310.9
4	1.1-rolling start	68.6	0.0	0.0	0.0	68.6	0.0	68.6	6%	0.0	4.1	64.5
5	2	1,670.0	0.0	0.0	0.0	1,670.0	0.0	1,670.0	6%	0.0	100.2	1,569.8
6	3	0.3	0.0	0.0	0.0	0.3	0.0	0.3	5%	0.0	0.0	0.3
7	6	3.9	0.0	0.0	0.0	3.9	0.0	3.9	10%	0.0	0.4	3.5
8	8	286.5	72.4	(0.3)	0.0	358.6	36.2	322.4	20%	0.0	64.5	294.1
9	8-rolling start	1.9	0.0	0.0	0.0	1.9	0.0	1.9	20%	0.0	0.4	1.6
10	10	11.2	0.2	0.0	0.0	11.4	0.1	11.3	30%	0.0	3.4	8.0
11	12	4.1	9.6	0.0	0.0	13.6	4.8	8.9	100%	0.0	8.9	4.8
12	13	3.3	0.0	0.0	0.0	3.3	0.0	3.3	N/A	0.0	0.8	2.5
13	17	905.2	337.0	(0.9)	0.0	1,241.3	168.5	1,072.8	8%	0.0	85.8	1,155.5
14	17-rolling start	129.9	222.0	0.0	0.0	351.9	0.0	351.9	8%	0.0	28.1	323.7
15	42	4.0	0.0	0.0	0.0	4.0	0.0	4.0	12%	0.0	0.5	3.5
16	43.1	0.2	0.0	0.0	0.0	0.2	0.0	0.2	30%	0.0	0.1	0.1
17	43.2	6.8	0.3	0.0	0.0	7.1	0.1	7.0	50%	0.0	3.5	3.6
18	45	0.1	0.0	0.0	0.0	0.1	0.0	0.1	45%	0.0	0.0	0.1
19	50	3.2	2.8	0.0	0.0	6.0	1.4	4.6	55%	0.0	2.5	3.5
20	<b>Total</b>	5,952.6	760.7	(0.6)	0.0	6,712.7	269.4	6,443.3		0.0	425.7	6,287.0

Notes:

1 Amounts are from Ex. F4-2-1 Table 5, col. (k).



Numbers may not add due to rounding.

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 Table 7

Table 7  
 Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Operations (\$M)  
 Year Ending December 31, 2016

Line No.	Class	Undepreciated Capital Cost at Beginning of Year <sup>1</sup>	Cost of Acquisitions	Net Adjustments <sup>2</sup>	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	1	2,205.5	145.8	17.8	0.0	2,369.1	72.9	2,296.2	4%	0.0	91.8	2,277.2
2	1-rolling start	331.5	0.0	(20.5)	0.0	311.1	0.0	311.1	4%	0.0	12.4	298.6
3	1.1	310.9	52.7	22.6	0.0	386.2	26.3	359.8	6%	0.0	21.6	364.6
4	1.1-rolling start	64.5	0.0	0.0	0.0	64.5	0.0	64.5	6%	0.0	3.9	60.6
5	2	1,569.8	0.0	0.0	0.0	1,569.8	0.0	1,569.8	6%	0.0	94.2	1,475.6
6	3	0.3	0.0	0.0	0.0	0.3	0.0	0.3	5%	0.0	0.0	0.3
7	6	3.5	0.0	0.0	0.0	3.5	0.0	3.5	10%	0.0	0.4	3.2
8	8	294.1	130.4	0.0	0.0	424.5	65.2	359.3	20%	0.0	71.9	352.6
9	8-rolling start	1.6	0.0	0.0	0.0	1.6	0.0	1.6	20%	0.0	0.3	1.2
10	10	8.0	20.6	0.0	0.0	28.6	10.3	18.3	30%	0.0	5.5	23.1
11	12	4.8	37.3	0.0	0.0	42.1	18.7	23.4	100%	0.0	23.4	18.7
12	13	2.5	0.0	0.0	0.0	2.5	0.0	2.5	N/A	0.0	0.8	1.7
13	17	1,155.5	674.4	0.0	0.0	1,829.9	337.2	1,492.7	8%	0.0	119.4	1,710.5
14	17-rolling start	323.7	426.8	0.0	0.0	750.5	0.0	750.5	8%	0.0	60.0	690.4
15	42	3.5	0.9	0.0	0.0	4.4	0.5	4.0	12%	0.0	0.5	3.9
16	43.1	0.1	0.0	0.0	0.0	0.1	0.0	0.1	30%	0.0	0.0	0.1
17	43.2	3.6	0.0	0.0	0.0	3.6	0.0	3.6	50%	0.0	1.8	1.8
18	45	0.1	0.0	0.0	0.0	0.1	0.0	0.1	45%	0.0	0.0	0.0
19	50	3.5	14.2	0.0	0.0	17.7	7.1	10.6	55%	0.0	5.8	11.8
20	<b>Total</b>	6,287.0	1,503.1	19.9	0.0	7,810.0	538.1	7,271.8		0.0	513.8	7,296.2

1 Amounts are from Ex. F4-2-1 Table 6, col. (k).

2 Net amount at line 20 represents the Undepreciated Capital Cost at January 1, 2016 for the portion of the EB-2031-0321 Niagara Tunnel Project disallowance that was reversed in EB-2014-0369. The difference between the EB-2014-0369 reversal amount of \$21.6M and the net adjustment shown of \$19.9M includes CCA for the November 1, 2014 to December 31, 2015 period, which is recorded in the Niagara Tunnel Project Pre-December 2008 Disallowance Variance Account as a ratepayer credit.

Numbers may not add due to rounding.

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 EB-2016-0152  
 Exhibit F4  
 Tab 2  
 Schedule 1  
 Table 8

Table 8  
 Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations (\$M)  
Year Ending December 31, 2017

Line No.	Class	Undepreciated Capital Cost at Beginning of Year	Cost of Acquisitions <sup>2</sup>	Net Adjustments <sup>3</sup>	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	1	729.0	216.2	0.0	0.0	945.2	108.1	837.1	4%	0.0	33.5	911.7
2	1-rolling start	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4%	0.0	0.0	0.0
3	1.1	341.4	380.7	0.0	0.0	722.1	190.3	531.8	6%	0.0	31.9	690.2
4	1.1-rolling start	60.6	0.0	0.0	0.0	60.6	0.0	60.6	6%	0.0	3.6	57.0
5	2	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	3	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	8	303.0	98.0	0.0	0.0	401.0	49.0	352.0	20%	0.0	70.4	330.6
9	8-rolling start	1.2	0.0	0.0	0.0	1.2	0.0	1.2	20%	0.0	0.2	1.0
10	10	18.9	18.5	0.0	0.0	37.3	9.2	28.1	30%	0.0	8.4	28.9
11	12	15.2	31.1	0.0	0.0	46.3	15.5	30.7	100%	0.0	30.7	15.5
12	13	1.7	0.0	0.0	0.0	1.7	0.0	1.7	N/A	0.0	0.8	0.9
13	17	1,417.3	272.5	0.0	0.0	1,689.8	136.2	1,553.5	8%	0.0	124.3	1,565.5
14	17-rolling start	690.4	350.3	0.0	0.0	1,040.7	0.0	1,040.7	8%	0.0	83.3	957.4
15	42	0.6	0.7	0.0	0.0	1.3	0.3	1.0	12%	0.0	0.1	1.2
16	43.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
17	43.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
18	45	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
19	50	11.2	2.8	0.0	0.0	14.0	1.4	12.6	55%	0.0	6.9	7.1
20	<b>Total</b>	3,590.7	1,370.6	0.0	0.0	4,961.3	510.2	4,451.1		0.0	394.2	4,567.1

Numbers may not add due to rounding.

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 EB-2016-0152  
 Exhibit F4  
 Tab 2  
 Schedule 1  
 Table 9

Table 9  
 Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations (\$M)  
 Year Ending December 31, 2018

Line No.	Class	Undepreciated Capital Cost at Beginning of Year <sup>1</sup>	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	1	911.7	144.9	0.0	0.0	1,056.6	72.5	984.2	4%	0.0	39.4	1,017.3
2	1-rolling start	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4%	0.0	0.0	0.0
3	1.1	690.2	12.4	0.0	0.0	702.6	6.2	696.4	6%	0.0	41.8	660.8
4	1.1-rolling start	57.0	0.0	0.0	0.0	57.0	0.0	57.0	6%	0.0	3.4	53.6
5	2	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	3	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	8	330.6	79.0	0.0	0.0	409.6	39.5	370.1	20%	0.0	74.0	335.6
9	8-rolling start	1.0	0.0	0.0	0.0	1.0	0.0	1.0	20%	0.0	0.2	0.8
10	10	28.9	12.7	0.0	0.0	41.6	6.3	35.3	30%	0.0	10.6	31.0
11	12	15.5	27.6	0.0	0.0	43.1	13.8	29.3	100%	0.0	29.3	13.8
12	13	0.9	0.0	0.0	0.0	0.9	0.0	0.9	N/A	0.0	0.5	0.4
13	17	1,565.5	1,238.0	0.0	0.0	2,803.5	619.0	2,184.5	8%	0.0	174.8	2,628.7
14	17-rolling start	957.4	613.6	0.0	0.0	1,571.0	0.0	1,571.0	8%	0.0	125.7	1,445.3
15	42	1.2	0.6	0.0	0.0	1.8	0.3	1.5	12%	0.0	0.2	1.6
16	43.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
17	43.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
18	45	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
19	50	7.1	2.8	0.0	0.0	9.9	1.4	8.5	55%	0.0	4.7	5.2
20	<b>Total</b>	4,567.1	2,131.5	0.0	0.0	6,698.6	759.0	5,939.6		0.0	504.4	6,194.1

Notes:

1 Amounts are from Ex. F4-2-1 Table 8, col. (k).

Numbers may not add due to rounding.

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 EB-2016-0152  
 Exhibit F4  
 Tab 2  
 Schedule 1  
 Table 10

Table 10  
 Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations (\$M)  
 Year Ending December 31, 2019

Line No.	Class	Undepreciated Capital Cost at Beginning of Year <sup>1</sup>	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	1	1,017.3	58.8	0.0	0.0	1,076.1	29.4	1,046.7	4%	0.0	41.9	1,034.2
2	1-rolling start	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4%	0.0	0.0	0.0
3	1.1	660.8	7.9	0.0	0.0	668.7	3.9	664.8	6%	0.0	39.9	628.8
4	1.1-rolling start	53.6	0.0	0.0	0.0	53.6	0.0	53.6	6%	0.0	3.2	50.4
5	2	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	3	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	8	335.6	54.1	0.0	0.0	389.7	27.0	362.6	20%	0.0	72.5	317.1
9	8-rolling start	0.8	0.0	0.0	0.0	0.8	0.0	0.8	20%	0.0	0.2	0.6
10	10	31.0	9.8	0.0	0.0	40.8	4.9	35.9	30%	0.0	10.8	30.0
11	12	13.8	20.6	0.0	0.0	34.3	10.3	24.1	100%	0.0	24.1	10.3
12	13	0.4	0.0	0.0	0.0	0.4	0.0	0.4	N/A	0.0	0.1	0.3
13	17	2,628.7	591.5	0.0	0.0	3,220.2	295.7	2,924.4	8%	0.0	234.0	2,986.2
14	17-rolling start	1,445.3	313.3	0.0	0.0	1,758.6	0.0	1,758.6	8%	0.0	140.7	1,617.9
15	42	1.6	0.4	0.0	0.0	1.9	0.2	1.8	12%	0.0	0.2	1.7
16	43.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
17	43.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
18	45	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
19	50	5.2	2.8	0.0	0.0	8.1	1.4	6.6	55%	0.0	3.7	4.4
20	<b>Total</b>	6,194.1	1,059.1	0.0	0.0	7,253.2	372.9	6,880.3		0.0	571.1	6,682.1

Notes:

1 Amounts are from Ex. F4-2-1 Table 9, col. (k).

Numbers may not add due to rounding.

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 EB-2016-0152  
 Exhibit F4  
 Tab 2  
 Schedule 1  
 Table 11

Table 11  
 Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations (\$M)  
 Year Ending December 31, 2020

Line No.	Class	Undepreciated Capital Cost at Beginning of Year <sup>1</sup>	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	1	1,034.2	80.3	0.0	0.0	1,114.5	40.1	1,074.3	4%	0.0	43.0	1,071.5
2	1-rolling start	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4%	0.0	0.0	0.0
3	1.1	628.8	10.6	0.0	0.0	639.5	5.3	634.2	6%	0.0	38.0	601.4
4	1.1-rolling start	50.4	0.0	0.0	0.0	50.4	0.0	50.4	6%	0.0	3.0	47.3
5	2	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	3	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	8	317.1	69.2	0.0	0.0	386.3	34.6	351.7	20%	0.0	70.3	316.0
9	8-rolling start	0.6	0.0	0.0	0.0	0.6	0.0	0.6	20%	0.0	0.1	0.5
10	10	30.0	12.3	0.0	0.0	42.3	6.1	36.2	30%	0.0	10.9	31.5
11	12	10.3	24.8	0.0	0.0	35.1	12.4	22.7	100%	0.0	22.7	12.4
12	13	0.3	0.0	0.0	0.0	0.3	0.0	0.3	N/A	0.0	0.1	0.2
13	17	2,986.2	870.8	0.0	0.0	3,857.0	435.4	3,421.6	8%	0.0	273.7	3,583.3
14	17-rolling start	1,617.9	0.3	0.0	0.0	1,618.2	0.0	1,618.2	8%	0.0	129.5	1,488.7
15	42	1.7	0.5	0.0	0.0	2.2	0.2	2.0	12%	0.0	0.2	2.0
16	43.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
17	43.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
18	45	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
19	50	4.4	2.8	0.0	0.0	7.2	1.4	5.8	55%	0.0	3.2	4.0
20	<b>Total</b>	6,682.1	1,071.6	0.0	0.0	7,753.6	535.6	7,218.0		0.0	594.8	7,158.8

Notes:

1 Amounts are from Ex. F4-2-1 Table 10, col. (k).

Numbers may not add due to rounding.

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 EB-2016-0152  
 Exhibit F4  
 Tab 2  
 Schedule 1  
 Table 12

Table 12  
 Undepreciated Capital Cost and Capital Cost Allowance Schedule for OPG's Regulated Nuclear Operations (\$M)  
Year Ending December 31, 2021

Line No.	Class	Undepreciated Capital Cost at Beginning of Year <sup>1</sup>	Cost of Acquisitions	Net Adjustments	Proceeds of Dispositions	(a)+(b)+(c)-(d) UCC1	50% Rule	(e)-(f) Reduced Undepreciated Capital Cost	CCA Rate	Recapture/ Terminal Loss	Capital Cost Allowance	(e)+(i)-(j) Undepreciated Capital Cost at End of Year
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	1	1,071.5	61.4	0.0	0.0	1,132.9	30.7	1,102.2	4%	0.0	44.1	1,088.8
2	1-rolling start	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4%	0.0	0.0	0.0
3	1.1	601.4	8.4	0.0	0.0	609.8	4.2	605.6	6%	0.0	36.3	573.5
4	1.1-rolling start	47.3	0.0	0.0	0.0	47.3	0.0	47.3	6%	0.0	2.8	44.5
5	2	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	6%	0.0	(0.0)	(0.0)
6	3	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.0)	5%	0.0	(0.0)	(0.0)
7	6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10%	0.0	0.0	0.0
8	8	316.0	56.8	0.0	0.0	372.8	28.4	344.4	20%	0.0	68.9	303.9
9	8-rolling start	0.5	0.0	0.0	0.0	0.5	0.0	0.5	20%	0.0	0.1	0.4
10	10	31.5	10.0	0.0	0.0	41.5	5.0	36.5	30%	0.0	10.9	30.5
11	12	12.4	21.3	0.0	0.0	33.7	10.7	23.1	100%	0.0	23.1	10.7
12	13	0.2	0.0	0.0	0.0	0.2	0.0	0.2	N/A	0.0	0.1	0.0
13	17	3,583.3	39.4	0.0	0.0	3,622.6	19.7	3,603.0	8%	0.0	288.2	3,334.4
14	17-rolling start	1,488.7	0.0	0.0	0.0	1,488.7	0.0	1,488.7	8%	0.0	119.1	1,369.6
15	42	2.0	0.4	0.0	0.0	2.4	0.2	2.2	12%	0.0	0.3	2.1
16	43.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30%	0.0	0.0	0.0
17	43.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50%	0.0	0.0	0.0
18	45	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45%	0.0	0.0	0.0
19	50	4.0	2.8	0.0	0.0	6.8	1.4	5.4	55%	0.0	3.0	3.9
20	<b>Total</b>	7,158.8	200.5	0.0	0.0	7,359.3	100.3	7,259.1		0.0	597.0	6,762.3

Notes:

1 Amounts are from Ex. F4-2-1 Table 11, col. (k).