

**Table 9-2**  
**Utilities — Reconciliation of net profit to taxable income and taxes payable**

	2009	2010	2011	2012	2013
	millions of dollars				
<b>Net profit</b>	<b>7,534</b>	<b>8,210</b>	<b>7,540</b>	<b>4,719</b>	<b>8,417</b>
Plus: consolidation and conceptual adjustments	558	595	-2,008	-60	936
Plus: current taxes, including mining	542	328	380	297	387
Plus: deferred income taxes	-47	-52	-19	183	190
Less: profit of tax exempt corporations	6,601	6,412	4,872	2,901	5,769
Deductible dividends	825	2,637	1,224	1,292	1,607
<b>Adjusted profit before taxes</b>	<b>1,162</b>	<b>31</b>	<b>-204</b>	<b>947</b>	<b>2,554</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	68	28	72	32	75
Less: taxable capital gains	26	50	45	80	63
Net difference, capital gains and losses	42	-22	27	-48	12
Resource allowance	0	0	0	0	0
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	..	..	..	..	..
Other exemptions and deductions	-211	-737	-598	110	817
<b>Total, exemptions and deductions</b>	<b>-168</b>	<b>-759</b>	<b>-572</b>	<b>62</b>	<b>829</b>
<b>Timing differences:</b>					
Depreciation	1,812	1,782	1,873	2,027	2,158
Less: capital cost allowance	1,934	2,061	2,400	2,367	2,511
Net difference, depreciation	-121	-279	-527	-341	-353
Natural resources expenses, (books)	52	54	78	42	5
Less: natural resource expenses, (tax)	136	136	166	164	149
Net difference, natural resources expenses	-85	-82	-88	-121	-144
Charitable donations net difference, (books minus tax)	3	3	2	1	-1
Other timing differences	1,135	1,355	2,026	999	682
<b>Total, timing differences</b>	<b>932</b>	<b>996</b>	<b>1,413</b>	<b>539</b>	<b>185</b>
<b>Net taxable income</b>	<b>2,262</b>	<b>1,787</b>	<b>1,781</b>	<b>1,424</b>	<b>1,909</b>
Less: prior year losses applied	112	310	223	288	487
<b>Taxable income (tax base)</b>	<b>2,150</b>	<b>1,478</b>	<b>1,558</b>	<b>1,136</b>	<b>1,422</b>
<b>Taxes:</b>					
Tax otherwise payable	664	467	529	417	527
Surtax	0	0	0	0	0
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	174	122	138	109	138
Small business deduction	5	5	5	5	6
Manufacturing and processing profits deduction	8	10	8	6	2
Investment tax credit	2	1	1	1	2
Other credits	148	111	148	132	176
<b>Net part 1 tax payable</b>	<b>328</b>	<b>218</b>	<b>229</b>	<b>164</b>	<b>204</b>
Other direct federal taxes	48	55	49	75	92
<b>Federal tax payable</b>	<b>376</b>	<b>272</b>	<b>278</b>	<b>239</b>	<b>295</b>
Provincial tax payable	262	170	162	119	152
<b>Total taxes</b>	<b>638</b>	<b>443</b>	<b>440</b>	<b>359</b>	<b>447</b>