

	A	B	C	D	E
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"				Version 2004.2
2	REGULATORY INFORMATION (REGINFO)				RRR # 2.1.8
3	Utility Name: Parry Sound Power Corporation				
4	Reporting period: Dec. 31, 2001				
5					
6	Days in reporting period:	92	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	yes	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	no	
16					
17	Is the utility a non-profit corporation?		Y/N	no	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	yes	
20	shared among the corporate group?	LCT	Y/N	no	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT			
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT			
23					
24	Accounting Year End		Date	12-31-2004	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			6,561,667	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			562,007	
42					
43	1999 return from RUD Sheet #7			21,594	21,594
44					
45	Total Incremental revenue			540,413	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			180,138	180,138
48	Amount allowed in 2002			180,138	180,138
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51					0
52					0
53	Total Regulatory Income				381,870
54					
55	Equity			3,280,834	
56					
57	Return at target ROE			324,146	
58					
59	Debt			3,280,834	
60					
61	Deemed interest amount in 100% of MARR			237,860	
62					
63	Phase-in of interest - Year 1 (2001)			85,380	
64	((D43+D47)/D41)*D61				
65	Phase-in of interest - Year 2 (2002)			161,620	
66	((D43+D47+D48)/D41)*D61				
67	Phase-in of interest - Year 3 (2003) and forward			161,620	
68	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
69					
70					
71					

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPL"	ITEM	Initial						M of F	M of F	M of F	
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate						Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)								Variance	Variance	Variance	
4	2 Years only Business - see Tab TAXREC								K-C	Explanations	(June)	
5	RRR # 2.1.8										Version 2004.2	
6			\$						\$		\$	
7	Utility Name: Parry Sound Power Corporation											
8	Reporting period: Dec. 31, 2001											Column
9	Days in reporting period:	92	days									Brought
10	Total days in the calendar year:	365	days									From
11												TAXREC
12												
13	II CORPORATE INCOME TAXES											
14												
15	Regulatory Net Income: REGINFO E53 (25% of 1999 return from RUD)	1	5,399						-83,712			-78,313
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	Additions:											
20	Depreciation & Amortization	2	102,003						-23,485			78,518
21	Employee Benefit Plans - Accrued, Not Paid	3							0			0
22	Tax reserves - beginning of year	4							0			0
23	Reserves from financial statements - end of year	4							0			0
24	Regulatory Adjustments - increase in income	5	0						0			0
25	Other Additions (See Tab entitled "TAXREC")								0			0
26	"Material" Items from "TAXREC" worksheet	6							0			0
27	Other Additions (not "Material") "TAXREC"	6							0			0
28	"Material" Items from "TAXREC 2" worksheet	6							0			0
29	Other Additions (not "Material") "TAXREC 2"	6							0			0
30												
31	Deductions: Input positive numbers											
32	Capital Cost Allowance and CEC	7	36,894						3,683			40,577
33	Employee Benefit Plans - Paid Amounts	8							0			0
34	Items Capitalized for Regulatory Purposes	9	0						0			0
35	Regulatory Adjustments - deduction for tax purposes in Item 5	10	0						0			0
36	Interest Expense Deemed Incurred (25% of 2001 phase-in of interest)	11	0						0			0
37	Tax reserves - end of year	4							0			0
38	Reserves from financial statements - beginning of year	4							0			0
39	Contributions to deferred income plans	3							0			0
40	Contributions to pension plans	3							0			0
41	Interest capitalized for accounting but deducted for tax	11							0			0
42	Other Deductions (See Tab entitled "TAXREC")								0			0
43	"Material" Items from "TAXREC" worksheet	12							0			0
44	Other Deductions (not "Material") "TAXREC"	12							0			0
45	Material Items from "TAXREC 2" worksheet	12							94,235			94,235
46	Other Deductions (not "Material") "TAXREC 2"	12							0			0
47												
48	TAXABLE INCOME/ (LOSS)		70,508						-9,279	Before loss C/F		-134,607
49												
50	BLENDED INCOME TAX RATE											
51	Tab Tax Rates	13	34.12%						-34.1200%			0.00%
52												
53	REGULATORY INCOME TAX		24,057						-24,057	Actual		0
54												
55	Miscellaneous Tax Credits	14							0	Actual		0
56												
57	Total Regulatory Income Tax		24,057						-24,057	Actual		0
58												
59	III CAPITAL TAXES											
60												
61	Ontario											
62	Base	15	6,561,667						-4,395,834			2,165,833
63	Less: Exemption -Tax Rates - Regulatory, Table 1: Actual, Table 3	16	5,000,000						-5,000,000			0
64	Taxable Capital		1,561,667						-9,395,834			2,165,833
65												
66	Rate - Tax Rates - Regulatory, Table 1: Actual, Table 3	17	0.3000%						0.0000%			0.3000%
67												
68	Ontario Capital Tax		1,171						466			1,638
69												
70	Federal Large Corporations Tax											
71	Base	18	6,561,667						-6,561,667			0
72	Less: Exemption -Tax Rates - Regulatory, Table 1: Actual, Table 3	19	10,000,000						-10,000,000			0
73	Taxable Capital		0						-16,561,667			0
74												
75	Rate - Tax Rates - Regulatory, Table 1: Actual, Table 3	20	0.2250%						0.0000%			0.2250%
76												
77	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0						0			0
78	Less: Federal Surtax: 1.12% x Taxable Income	21	0						0			0
79												
80	Net LCT		0						0			0
81												
82	III INCLUSION IN RATES											
83												
84	Income Tax Rate used for gross-up (exclude surtax)		34.12%									
85												
86	Income Tax (gross tax is grossed-up)	22	36,517							Actual 2001		0
87	LCT (gross tax is grossed-up)	23	0							Actual 2001		0
88	Ontario Capital Tax (no gross-up since it is deductible)	24	1,171							Actual 2001		1,638
89												
90	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002 RAM DECISION	25	37,688							Actual 2001		1,638
91												

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PIL's TAX GROSS-UP "SIMPL"	ITEM	Initial Estimate						M of F Filing Variance K-C	M of F Filing Variance Explanation	M of F Filing (June)	
2	DEFERRAL/VARIANCE ACCOUNTS											
3	TAX CALCULATIONS (TAX/CALC)											
4	*Values only? Business - see Tab TAXREC											
5	RRR # 2.1.8		\$						\$		Version 2004.2	
6												
7												
8	IV) FUTURE TRUE-UPS											
9	IV a) Calculation of the True-up Variance											
10	In Additions:								DR/(CR)			
11	Employee Benefit Plans - Accrued, Not Paid	3							0			
12	Tax reserves deducted in prior year	4							0			
13	Reserves from financial statements-end of year	4							0			
14	Regulatory Adjustments	5							0			
15	Other additions "Material" Items TAXREC	6							0			
16	Other additions "Material" Items TAXREC 2	6							0			
17	In Deductions - positive numbers											
18	Employee Benefit Plans - Paid Amounts	8							0			
19	Items Capitalized for Regulatory Purposes	9							0			
20	Regulatory Adjustments	10							0			
21	Interest Adjustment for tax purposes (See Below - cell I204)	11							0			
22	Tax reserves claimed in current year	4							0			
23	Reserves from F/S beginning of year	4							0			
24	Contributions to deferred income plans	3							0			
25	Contributions to pension plans	3							0			
26	Other deductions "Material" Items TAXREC	12							0			
27	Other deductions "Material" Item TAXREC 2	12							0			
28	Total TRUE-UPS before tax effect	26							= 0			
29	Income Tax Rate for True-up = legislated rate for the year						x		34.12%			
30	Income Tax Effect on True-up adjustments						=		0			
31	Less: Miscellaneous Tax Credits	14							0			
32	Total Income Tax on True-ups								0			
33	Income Tax Rate used for gross-up (exclude surtax)											
34	TRUE-UP VARIANCE ADJUSTMENT								0			
35												
36	IV b) Calculation of the Deferral Account Variance caused by changes in legislation											
37	REGULATORY TAXABLE INCOME ((LOSSES)) (as reported in the initial estimate column)						=		70.508			
38	REVISED CORPORATE INCOME TAX RATE						x		34.12%			
39	REVISED REGULATORY INCOME TAX						=		24.057			
40	Less: Revised Miscellaneous Tax Credits						-					
41	Total Revised Regulatory Income Tax						=		24.057			
42	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)						-		24.057			
43	Regulatory Income Tax Variance						=		0			
44	Ontario Capital Tax											
45	Base						=		6,561,667			
46	Less: Exemption						-		5,000,000			
47	Revised deemed taxable capital						=		1,561,667			
48	Rate						x		0.3000%			
49	Revised Ontario Capital Tax						=		1,171			
50	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)						-		1,171			
51	Regulatory Ontario Capital Tax Variance						=		0			
52	Federal LCT											
53	Base						=		6,561,667			
54	Less: Exemption from tab Tax Rates, Table 2, cell C40						-		10,000,000			
55	Revised Federal LCT						=		-3,438,333			
56	Rate (as a result of legislative changes) tab "Tax Rates" cell C51								0.2250%			
57	Gross Amount						=		-1,934			
58	Less: Federal surtax						-		0			
59	Revised Net LCT						=		-1,934			
60	Less: Federal LCT reported in the initial estimate column (Cell C62)						-		0			
61	Regulatory Federal LCT Variance						=		0			
62	Actual Income Tax Rate used for gross-up (exclude surtax)											
63	Income Tax (grossed-up)						+		0			
64	LCT (grossed-up)						+		0			
65	Ontario Capital Tax						+		0			
66	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT						=		0			
67												
68	TRUE-UP VARIANCE (from cell I130)						+		0			
69												
70	Total Deferral Account Entry (Positive Entry = Debit)						=		0			
71	(Deferral Account Variance + True-up Variance)											
72												
73												
74	VI INTEREST PORTION OF TRUE-UP											
75	Variance Caused By Phase-in of Deemed Debt											
76												
77	Total deemed interest (REGINFO)								237,860			
78	Interest phased-in (Cell C36)								0			
79												
80	Variance due to phase-in of debt component of MARR in rates according to the Board's decision								237,860			
81												
82	Other Interest Variances (i.e. Borrowing Levels											
83	Above Deemed Debt per Rate Handbook)											
84	Interest deducted on MRF filing (Cell K36+K41)								0			
85	Total deemed interest (REGINFO CELL D61)								237,860			
86												
87	Variance caused by excess debt								0			
88												
89	Interest Adjustment for Tax Purposes (carry forward to Cell I110)								0			
90												
91	Total Interest Variance								237,860			
92												

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.2	
6	Section A: Identification:					
7	Utility Name: Parry Sound Power Corporation					
8	Reporting period: Dec. 31, 2001					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:	92	days			
12						
13	Please enter the Materiality Level :	2,051	< - enter materiality level			
14	(0.25% x Rate Base x CER)	Y/N				
15	(0.25% x Net Assets)	Y/N				
16	Or other measure (please provide the basis of the amount)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	Section B: Financial statements data:					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	Income:					
31	Energy Sales	+	1,588,812		1,588,812	
32	Distribution Revenue	+	133,850		133,850	
33	Other Income	+	28,686		28,686	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-	1,588,812		1,588,812	
40	Administration	-	35,206		35,206	
41	Customer billing and collecting	-	60,315		60,315	
42	Operations and maintenance	-	66,810		66,810	
43	Amortization	-	78,518		78,518	
44	Ontario Capital Tax	-			0	
45	Expenses per 3 month Statement	-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	-78,313	0	-78,313	
51	Less: Interest expense for accounting purposes	-			0	
52	Provision for payments in lieu of income taxes	-			0	
53	Net Income (loss)	=	-78,313	0	-78,313	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	Section C: Reconciliation of accounting income to taxable income					
57	From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59	Provision for income tax	+	0	0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	78,518	0	78,518	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments	+	0	0	0	
66	Material addition items from TAXREC 2	+	0	0	0	
67	Other addition items (not Material) from TAXREC 2	+	0	0	0	
68						
69	Subtotal		78,518	0	78,518	
70						
71	Other Additions: (Please explain the nature of the additions)					
72	Recapture of CCA	+			0	
73	Non-deductible meals and entertainment expense	+			0	
74	Capital items expensed	+			0	
75		+			0	
76		+			0	
77		+			0	
78		+			0	
79	Total Other Additions	=	0	0	0	
80						
81	Total Additions	=	78,518	0	78,518	
82						
83	Recap Material Additions:					
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91	Total Other additions >materiality level		0	0	0	
92	Other deductions (less than materiality level)		0	0	0	
93	Total Other Additions		0	0	0	
94						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.2	
95	BOOK TO TAX DEDUCTIONS:					
96	Capital cost allowance	-	28,926		28,926	
97	Cumulative eligible capital deduction	-	11,651		11,651	
98						
99						
100	Employee benefit plans-paid amounts	-	0		0	
101	Items capitalized for regulatory purposes	-			0	
102	Regulatory adjustments :	-			0	
103	CCA	-			0	
104	other deductions	-	0	0	0	
105	Tax reserves - end of year	-	0	0	0	
106	Reserves from financial statements- beginning of year	-	0	0	0	
107	Contributions to deferred income plans	-			0	
108	Contributions to pension plans	-			0	
109	Interest capitalized for accounting deducted for tax	-		0	0	
110	Material deduction items from TAXREC 2	-	94,235	0	94,235	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	134,812	0	134,812	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-	0	0	0	
116	Gain on disposal of assets	-			0	
117	Capital Tax	-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	134,812	0	134,812	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	-134,607	0	-134,607	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	-134,607	0	-134,607	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	0		0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	Total Income Tax	=	0	0	0	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)				0.00%	
150	Net Ontario Income Tax Rate (Must agree with tax return)				0.00%	
151	Blended Income Tax Rate		0.00%		0.00%	
152						
153	Section D: Detailed calculation of Ontario Capital Tax					
154						
155	ONTARIO CAPITAL TAX					
156	(From Ontario CT23)					
157	PAID-UP CAPITAL					
158						
159	Paid-up capital stock	+	2,433,727		2,433,727	
160	Retained earnings (if deficit, deduct)	+/-	-10,842		-10,842	
161	Capital and other surplus excluding	+	1,332,900		1,332,900	
162	appraisal surplus	+			0	
163	Loans and advances	+	2,433,728		2,433,728	
164	Bank loans	+			0	
165	Bankers acceptances	+			0	
166	Bonds and debentures payable	+			0	
167	Mortgages payable	+			0	
168	Lien notes payable	+			0	
169	Deferred credits	+			0	
170	Contingent, investment, inventory and similar reserves	+			0	
171	Other reserves not allowed as deductions	+			0	
172	Share of partnership(s), joint venture(s) paid-up capital	+			0	
173	Sub-total	=	6,189,513	0	6,189,513	
174	Subtract:					
175	Amounts deducted for income tax purposes in excess of amounts booked	-	56,296		56,296	
176	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
177	Total (Net) Paid-up Capital	=	6,133,217	0	6,133,217	
178						
179	ELIGIBLE INVESTMENTS					
180						
181	Bonds, lien notes, interest coupons	+			0	
182	Mortgages due from other corporations	+			0	
183	Shares in other corporations	+			0	
184	Loans and advances to unrelated corporations	+			0	
185	Eligible loans and advances to related corporations	+			0	
186	Share of partnership(s) or joint venture(s) eligible investments	+			0	
187						
188	Total Eligible Investments	=	0	0	0	
189						
190						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.2	
191	TOTAL ASSETS					
192						
193	Total assets per balance sheet	+	7,893,570		7,893,570	
194	Mortgages or other liabilities deducted from assets	+			0	
195	Share of partnership(s)/ joint venture(s) total assets	+			0	
196	Subtract: Investment in partnership(s)/joint venture(s)	-			0	
197						
198	Total assets as adjusted	=	7,893,570	0	7,893,570	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and similar reserves	+			0	
202	Other reserves not allowed as deductions	+			0	
203	Subtract:				0	
204	Amounts deducted for income tax purposes in excess of amounts booked	-	56,296		56,296	
205	Deductible R&D expenditures and ONTTI costs deferred for income tax	-			0	
206	Subtract: Appraisal surplus if booked	-			0	
207	Add or subtract: Other adjustments	+/-			0	
208						
209	Total Assets	=	7,837,274	0	7,837,274	
210						
211						
212	Investment Allowance		0	0	0	
213						
214	Taxable Capital					
215						
216	Net paid-up capital	+	6,133,217	0	6,133,217	
217	Subtract: Investment Allowance	-	3,967,384	0	3,967,384	
218						
219	Taxable Capital	=	2,165,833	0	2,165,833	
220						
221	Capital Tax Calculation					
222	Deduction from taxable capital up to maximum of \$5,000,000			0	0	
223						
224	Net Taxable Capital		2,165,833	0	2,165,833	
225						
226	Rate		0.3000%	0.3000%	0.3000%	
227						
228	Days in taxation year		92	92	92	
229	Divide days by 365		0.25	0.25	0.25	
230						
231	Ontario Capital Tax (Must agree with CT23 return)		1,638	0	1,638	
232						
233	Section E: Detailed calculation of Large Corporation Tax					
234						
235	LARGE CORPORATION TAX					
236	(From Federal Schedule 33)					
237	CAPITAL					
238	ADD:					
239	Reserves that have not been deducted in computing income for the year under Part I	+			0	
240	Capital stock	+			0	
241	Retained earnings	+			0	
242	Contributed surplus	+			0	
243	Any other surpluses	+			0	
244	Deferred unrealized foreign exchange gains	+			0	
245	All loans and advances to the corporation	+			0	
246	All indebtedness- bonds, debentures, notes, mortgages, bankers acceptances, or similar obligations	+			0	
247	Any dividends declared but not paid	+			0	
248	All other indebtedness outstanding for more than 365 days	+			0	
249						
250	Subtotal	=	0	0	0	
251						
252	DEDUCT:					
253	Deferred tax debit balance	-			0	
254	Any deficit deducted in computing shareholders' equity	-			0	
255	Any patronage dividends 135(1) deducted in computing income under Part I included in amounts above	-			0	
256	Deferred unrealized foreign exchange losses	-			0	
257						
258	Subtotal	=	0	0	0	
259						
260	Capital for the year		0	0	0	
261						
262	INVESTMENT ALLOWANCE					
263						
264	Shares in another corporation	+			0	
265	Loan or advance to another corporation	+			0	
266	Bond, debenture, note, mortgage, or	+			0	
267	similar obligation of another corporation	+			0	
268	Long term debt of financial institution	+			0	
269	Dividend receivable from another corporation	+			0	
270	Debts of corporate partnerships that were not exempt from tax under Part 1.3	+			0	
271	Interest in a partnership	+			0	
272						
273	Investment Allowance	=	0	0	0	
274						
275						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4	RRR # 2.1.8		Return			
5					Version 2004.2	
276	TAXABLE CAPITAL					
277						
278	Capital for the year	=	0	0	0	
279						
280	Deduct: Investment allowance	-	10,000,000	0	10,000,000	
281						
282	Taxable Capital for taxation year	=	0	0	0	
283						
284	Deduct: Capital Deduction - maximum of \$10,000,000	-		0	0	
285	(Input in tab 'Tax Rates')					
286	Taxable Capital	=	0	0	0	
287						
288	Rate 0.225% in 2002 and 2003; 0.200% in 2004		0.22500%	0.22500%	0.22500%	
289						
290	Days in year		92	92	92	
291	Divide days by 366		0.2521	0.2521	0.2521	
292						
293	Gross Part I.3 Tax LCT (Must agree with tax return)	=	0	0	0	
294						
295	Federal Surtax Rate		0.0000%	0.0000%	0.0000%	
296						
297	Less: Federal Surtax = Actual Surtax from tax return	-	0		0	
298						
299	Net Part I.3 Tax - LCT Payable (Must agree with tax return)	=	0	0	0	
300	(If surtax is greater than Gross LCT, then zero)					
301						
302	Section F: Income and Capital Taxes					
303						
304	RECAP FROM ABOVE:					
305	Total Income Taxes	+	0	0	0	
306	Ontario Capital Tax	+	1,638	0	1,638	
307	Federal Large Corporations Tax	+	0	0	0	
308						
309	Total income and capital taxes	=	1,638	0	1,638	
310						

	A	B	C	D	E	F
1	SECTION 93 PILs TAX GROSS-UP "SIMPIL"	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	For MoF Column of TAXCALC		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	RRR # 2.1.8				Version 2004.2	
6						
7	Utility Name: Parry Sound Power Corporation					
8	Reporting period: Dec. 31, 2001					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)		0		0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other				0	
19	Other				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		0		0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other				0	
31	Other				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		0		0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other				0	
48	Other				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		0		0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other				0	
60	Other				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2	SECTION 93 PIL & TAX GROSS-UP "SIMPL"	LINE	M of F	Non-wings	Wings-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wings-only" business - see s. 72 CER Act)		Tax		Return	
5	RRR # 2.1.8		Return			
6					Version 2004.2	
7						
8	Utility Name: Parry Sound Power Corporation					
9	Reporting period: Dec. 31, 2001					
10	Number of days in taxation year:		92			
11	Materiality Level:		2,051			
12						
13	Section C: Reconciliation of accounting income to taxable income					
14	Add:					
15	Recapture of capital cost allowance	+			0	
16	Gain on sale of eligible capital property	+			0	
17	Income or loss for tax purposes- joint ventures or partnerships	+	0		0	
18	Loss in equity of subsidiaries and affiliates	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations	+			0	
21	Taxable capital gains	+			0	
22	Depreciation in inventory-end of year	+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Non-deductible club dues and fees	+			0	
27	Non-deductible automobile expenses	+			0	
28	Non-deductible life insurance premiums	+			0	
29	Soft costs on construction and renovation of buildings	+			0	
30	Non-deductible meals and entertainment	+			0	
31	Book loss on joint ventures or partnerships	+			0	
32	Capital items expensed	+			0	
33	Debt issue expense	+			0	
34	Deemed dividend income	+			0	
35	Dividends credited to investment account	+			0	
36	Financing fees deducted in books	+			0	
37	Gain on settlement of debt	+			0	
38	Interest paid on income debentures	+			0	
39	Recapture of SR&ED expenditures	+			0	
40	Share issue expense	+			0	
41	Write down of capital property	+			0	
42	Amounts received in respect of qualifying environment trust	+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Debt financing expenses	+			0	
45	Amortization of deferred financing costs	+	0		0	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53		+			0	
54	Total Additions	=	0	0	0	
55						
56	Recap of Material Additions:					
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77			0	0	0	
78			0	0	0	
79			0	0	0	
80			0	0	0	
81			0	0	0	
82			0	0	0	
83			0	0	0	
84			0	0	0	
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92			0	0	0	
93			0	0	0	
94						
95	Total Material additions		0	0	0	
96	Other additions less than materiality level		0	0	0	
97	Total Additions		0	0	0	
98						
99	Deduct:					
100	Gain on disposal of assets per fts	-			0	
101	Dividends not taxable under section 83	-			0	
102	Terminal loss from Schedule 8	-			0	
103	Depreciation in inventory, end of prior year	-			0	
104	Scientific research expenses claimed in year from Form T661	-			0	
105	Bad debts	-			0	
106	Book income of joint venture or partnership	-			0	
107	Equity in income from subsidiary or affiliates	-			0	
108	Contributions to a qualifying environment trust	-			0	
109	Other income from financial statements	-			0	
110	Other deductions: (Please explain in detail the nature of the item)	-			0	
111	Imputed interest on Reg Assets	-			0	
112	Ont Cap Tax	-	0	0	0	
113	employee future benefit expense	-			0	
114		-			0	
115	Transition costs capitalized for accounting purposes	-	94,235	0	94,235	
116		-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121		-			0	
122	Total Deductions	=	94,235	0	94,235	
123						
124	Recap of Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
140	Transition costs capitalized for accounting purposes	-	94,235	0	94,235	
141		-	0	0	0	
142		-	0	0	0	
143		-	0	0	0	
144		-	0	0	0	
145	Total Deductions exceed materiality level		94,235	0	94,235	
146	Other deductions less than materiality level		0	0	0	
147	Total Deductions		94,235	0	94,235	
148						

[illegible]

	A	B	C	D
1		SECTION 93 PILs TAX GROSS-UP "SIMPIL"		
2		Filing Requirements related to the "SIMPIL" model		Version 2004.2
3		Utility Name: Parry Sound Power Corporation		RRR # 2.1.8
4		Reporting period: Dec. 31, 2001		
5				
6				
7				
8				
9		Documents to be submitted to the Board when filing the Ministry of Finance Column information:		
10		(Stage 3 filing: normally in July of the year following the reporting period)		
11				
12		Please file 3 copies of each paper document and 1 CD or disk		
13				
14	1)	REGINFO	Yes	
15				
16	2)	TAXCALC	Yes	
17				
18	3)	TAXREC	Yes	
19				
20	4)	Tax Reserves	Yes	
21				
22	5)	TAXREC 2	Yes	
23				
24	6)	Tax Rates	Yes	
25				
26	7)	Checklist	Yes	
27				
28	8)	Background Questionnaire	Yes	
29				
30	9)	PILs Variance Analysis	Yes	
31				
32	10)	Financial statements used to prepare tax returns if different from the audited financial statements submitted to the Board in April 2005	N/A	
33				
34	11)	Electronic Excel format of the SIMPIL worksheets	Yes	
35				
36	12)	Notices of assessments, and any re-assessments, for:		
37			2001	Yes
38			2002	Yes
39			2003	Yes
40			2004	Yes
41				
42	13)	Schedules or pages from CT23 and T2 tax returns	Yes	
43				
44				
45				
46				
47				
48				
49				
50				

	A	B	C
1		SECTION 93 PILs TAX GROSS-UP "SIMPIL"	
2		Background Questionnaire	Version 2004.2
3		Utility Name: Parry Sound Power Corporation	RRR # 2.1.8
4		Reporting period: Dec. 31, 2001	
5			
6	1	Does the company engage in non-regulated activities?	
7		Answer:	
8		No	
9			
10		If the answer to question 1 is "NO", please skip questions 2 to 6.	
11			
12	2	Please identify the types of non-wire operations carried on by the LDC.	
13		Answer:	
14			
15			
16			
17	3	Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?	
18		Answer:	
19			
20			
21			
22	4	Please identify the percentage and amount of gross revenues arising from non-wire operations.	
23		Answer:	
24			
25			
26	5	Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations.	
27		Answer:	
28			
29			
30	6	Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining to non-wire operations.	
31		Answer:	
32			
33			
34			
35	7	Did the company incur any OPEBs (post employment benefits other than pensions) for accounting and tax purposes? (Please identify the amount.)	
36		Answer: Yes - a total recovery of \$72,739 was included	
37			
38			
39	8	Did the company have any reserves for accounting and tax purposes? (Please identify the amount.)	
40		Answer: Only for Allowance for doubtful accounts used in schedule 1 - tax and accounting adjustments were the same.	
41			
42			
43			
44			

[illegible]