|          | A  | В   | С     | D               | Е             |      |
|----------|--|-----|-------|-----------------|---------------|------|
| 1        | ·  |     | Ū     |                 | Version 2009. | 1    |
| 2        | REGULATORY INFORMATION (REGINFO)   |     |       |                 |               |      |
| 3        | Utility Name: Parry Sound Power Corporation  |     |       | Colour Code     |               |      |
| 4        | Reporting period: 2002   |     |       | Input Cell      |               |      |
| 5<br>6   | Days in reporting period:  | 365 | days  | Formula in Cell |               |      |
| 7        | Total days in the calendar year:   | 365 | days  |                 |               |      |
| 8        | Total days in the salendar your  | 000 | uuyo  |                 |               | _    |
| 9        | BACKGROUND   |     |       |                 |               |      |
| 10       | Has the utility reviewed section 149(1) ITA to   |     |       |                 |               |      |
| 11       | confirm that it is not subject to regular corporate  |     | 2//21 |                 |               |      |
| 12       | tax (and therefore subject to PILs)?   |     | Y/N   |                 |               |      |
| 14       | Was the utility recently acquired by Hydro One   |     |       |                 |               |      |
| 15       | and now subject to s.89 & 90 PILs?   |     | Y/N   |                 |               |      |
| 17       | Is the utility a non-profit corporation?   |     | Y/N   |                 |               |      |
| 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   |                 |               |      |
| 20       | shared among the corporate group?  | LCT | Y/N   |                 |               |      |
| 21       | Please identify the % used to allocate the OCT and LCT exemptions in   | OCT |       | 100%            |               |      |
| 22       | Cells C65 & C74 in the TAXCALC spreadsheet.  | LCT |       | 100%            |               |      |
| 24       | Accounting Year End  |     | Date  | 12-31-2002      |               |      |
| 26       | MARR NO TAX CALCULATIONS   |     |       |                 | Regulator     | _    |
| 27       | SHEET #7 FINAL RUD MODEL DATA  |     |       |                 | Income        |      |
| 28       | (FROM 1999 FINANCIAL STATEMENTS)   |     |       |                 |               |      |
| 29       | USE BOARD-APPROVED AMOUNTS   |     |       |                 |               |      |
| 30       |  |     |       |                 |               |      |
| 31       |  |     |       | 6,561,667       |               | _    |
| 33       | Common Equity Ratio (CER)  |     |       | 50.00%          |               |      |
| 35       | 1-CER  |     |       | 50.00%          |               |      |
| 37       | Target Return On Equity  |     |       | 9.88%           |               |      |
| 39       | Debt rate  |     |       | 7.25%           |               |      |
| 41       | Market Adjusted Revenue Requirement  |     |       | 562,007         |               |      |
| 43       | 1999 return from RUD Sheet #7  |     |       | 21,594          | 21            | ,594 |
| 45       | Total Incremental revenue  |     |       | 540,413         |               |      |
| 46       |  |     |       |                 |               |      |
| 47       | Amount allowed in 2001   |     |       | 180,138         |               | ,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<br>51 | unless authorized by the Minister and the Board)   |     |       | _               |               | 0    |
| 52       | Amount allowed in 2005 - Third tranche of MARR re: CDM Other Board-approved changes to MARR or incremental revenue |     |       |                 |               | n    |
| 53       | Cars. 253.3 approved enanges to water or more mental revenue   |     |       |                 |               | 0    |
| 54       | Total Regulatory Income  |     |       |                 | 381           | ,870 |
| 55       |  |     |       |                 |               |      |
| 56       | Equity   |     |       | 3,280,834       |               |      |
| 57<br>58 | Return at target ROE   |     |       | 324,146         |               |      |
| 59       | Notani at aliget NOL   |     |       | 324,140         |               |      |
| 60       | Debt   |     |       | 3,280,834       |               |      |
| 61       |  |     |       |                 |               |      |
| 62       | Deemed interest amount in 100% of MARR   |     |       | 237,860         |               |      |
| 63       | Phase-in of interest - Year 1 (2001)   |     |       | 85.380          |               |      |
| 65       | ((D43+D47)/D41)*D61  |     |       | 65,380          |               |      |
| 66       | Phase-in of interest - Year 2 (2002)   |     |       | 161,620         |               |      |
| 67       | ((D43+D47+D48)/D41)*D61  |     |       |                 |               |      |
| 68       | Phase-in of interest - Year 3 (2003) and forward   |     |       | 161,620         |               |      |
| 69       | ((D43+D47+D48)/D41)*D61 (due to Bill 210)  |     |       |                 |               |      |
| 70<br>71 | Phase-in of interest - 2005  |     |       | 237,860         |               |      |
| 72       |  |     |       |                 |               |      |
|          |  |     |       | 1               |               |      |

| _  | A  | В                          | С  | D E                        | F                          | G                              | Н        |
|--|--|----------------------------|--|----------------------------|----------------------------|--------------------------------|----------|
| 1  | ,  | ITEM                       | Initial  | M of F                     | M of F                     | Tax                            | -        |
| 2  | PILS DEFERRAL AND VARIANCE ACCOUNTS  | , II E.W.                  | Estimate                                       | Filing                     | Filing                     | Returns                        |          |
| 3  | TAX CALCULATIONS (TAXCALC)   |                            |  | Variance                   | Variance                   |                                |          |
| 4  | ("Wires-only" business - see Tab TAXREC)   |                            |  | K-C                        | Explanation                |                                |          |
| 6  | Utility Name: Parry Sound Power Corporation  | ,                          |  |                            |                            | Version 2009.1                 |          |
| 7  | Reporting period: 2002   | +                          |  |                            |                            |                                |          |
| 8  |  |                            |  |                            |                            | Column                         |          |
| 9  | Days in reporting period:  | 365                        | days   |                            |                            | Brought                        |          |
| 10   | Total days in the calendar year:   | 365                        | days   |                            |                            | From                           |          |
| 11   |  | -                          | s  | \$                         |                            | TAXREC<br>\$                   |          |
| 13   |  |                            | J  | v                          |                            | J                              |          |
| 14   | I) CORPORATE INCOME TAXES  |                            |  |                            |                            |                                |          |
| 15   |  |                            |  |                            |                            |                                |          |
| 16   | Regulatory Net Income REGINFO E53  | 1                          | 351,847  | -178,938                   |                            | 172,909                        |          |
| 17<br>18   | BOOK TO TAX ADJUSTMENTS  |                            |  |                            |                            |                                |          |
| 19   | Additions:   |                            |  |                            |                            |                                |          |
| 20   | Depreciation & Amortization  | 2                          | 408,012  | -82,365                    |                            | 325,647                        |          |
| 21   | Employee Benefit Plans - Accrued, Not Paid   | 3                          |  | 0                          |                            | 0                              |          |
| 22   | Tax reserves - beginning of year   | 4                          |  | 0                          |                            | 0                              |          |
| 23<br>24   | Reserves from financial statements - end of year Regulatory Adjustments - increase in income   | 4<br>5                     | 8,064  | -8,064                     |                            | 0                              |          |
| 25   | Other Additions (See Tab entitled "TAXREC")  | J                          | 0,004  | -0,004                     |                            | U                              |          |
| 26   | "Material" Items from "TAXREC" worksheet   | 6                          |  | 0                          |                            | 0                              |          |
| 27   | Other Additions (not "Material") "TAXREC"  | 6                          |  | 0                          |                            | 0                              |          |
| 28<br>29   | "Material Items from "TAXREC 2" worksheet  | 6                          |  | 0                          |                            | 0                              | _        |
| 30   | Other Additions (not "Material") "TAXREC 2"  | 6                          |  | 0                          |                            | 0                              | -        |
| 31   | Items on which true-up does not apply "TAXREC 3"   | 1                          |  | 0                          |                            | 0                              |          |
| 32   | Deductions: Input positive numbers   |                            |  |                            |                            |                                |          |
| 33   | Capital Cost Allowance and CEC   | 7                          | 291,119  | 34,004                     |                            | 325,123                        |          |
| 34   | Employee Benefit Plans - Paid Amounts  | 8                          |  | 0                          |                            | 0                              |          |
| 35<br>36   | Items Capitalized for Regulatory Purposes  | 9                          |  | 0                          |                            | 0                              | -        |
| 37   | Regulatory Adjustments - deduction for tax purposes in Item 5 Interest Expense Deemed/ Incurred  | 10<br>11                   | 148,913  | 27,531                     |                            | 176,444                        |          |
| 38   | Tax reserves - end of year   | 4                          | 0,010  | 0                          |                            | 0                              |          |
| 39   | Reserves from financial statements - beginning of year   | 4                          |  | 0                          |                            | 0                              |          |
| 40   | Contributions to deferred income plans   | 3                          |  | 0                          |                            | 0                              |          |
| 41   | Contributions to pension plans   | 11                         |  | 0                          |                            | 0                              |          |
| 43   | Interest capitalized for accounting but deducted for tax Other Deductions (See Tab entitled "TAXREC")  |                            |  | U                          |                            | U                              |          |
| 44   | "Material" Items from "TAXREC" worksheet   | 12                         |  | 0                          |                            | 0                              |          |
| 45   | Other Deductions (not "Material") "TAXREC"   | 12                         |  | 0                          |                            | 0                              |          |
| 46   | Material Items from "TAXREC 2" worksheet   | 12                         |  | 0                          |                            | 0                              |          |
| 47<br>48   | Other Deductions (not "Material") "TAXREC 2"   | 12                         |  | 146,705                    |                            | 146,705                        |          |
| 49   | Items on which true-up does not apply "TAXREC 3"   | +                          |  | 140,703                    |                            | 140,703                        |          |
| 50   | TAXABLE INCOME/ (LOSS)   |                            | 327,891  | -477,607                   | Before loss C/F            | -149,716                       |          |
| 51   |  |                            |  |                            |                            |                                |          |
| 52   | BLENDED INCOME TAX RATE  |                            |  |                            |                            |                                |          |
| 53<br>54   | Tax Rates  | 13                         | 34.12%   | 0.0000%                    |                            | 34.12%                         |          |
| 55   | REGULATORY INCOME TAX  |                            | 111,876  | -111,876                   | Actual                     | 0                              |          |
| 56   |  |                            | ,  | ,                          |                            | -                              |          |
| 57   |  |                            |  |                            |                            |                                |          |
| 58   | Miscellaneous Tax Credits  | 14                         |  | 0                          | Actual                     | 0                              |          |
| 59<br>60   | Total Regulatory Income Tax  |                            | 111,876  | -111,876                   | Actual                     | 0                              |          |
| 61   | Total Negulatory Income Tax  |                            | 111,070  | -111,070                   | Actual                     | U                              |          |
| 62   |  |                            |  |                            | _                          |                                |          |
| 63   | II) CAPITAL TAXES  |                            |  |                            |                            |                                |          |
| 64   | Ontario  | 1                          |  |                            |                            |                                | <u> </u> |
| 65<br>66   | Ontario Base   | 15                         | 6,561,667                                      | -375,689                   |                            | 6.185.978                      | -        |
| 67   | Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3  | 16                         | 5,000,000                                      | -998,291                   |                            | 4,001,709                      |          |
| 68   |  |                            | 1,561,667                                      | -1,373,980                 |                            | 2,184,269                      |          |
| 69   | Data Tan Data Dandar Till 1 1 1 1 1 1 1 1  |                            |  |                            |                            |                                |          |
| 70<br>71   | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  | 17                         | 0.3000%  | 0.0000%                    |                            | 0.3000%                        | -        |
| 72   | Ontario Capital Tax  | 1                          | 4,685  | 1,868                      |                            | 6,553                          |          |
| 73   |  |                            | 1,000  | .,                         |                            | 0,000                          |          |
| 74   | Federal Large Corporations Tax   |                            |  |                            |                            |                                |          |
| 75<br>76   | Base   | 18                         | 6,561,667                                      | -6,561,667                 |                            |                                | -        |
| 76<br>77   | Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3  | 19                         | 10,000,000                                     | -10,000,000<br>-16,561,667 |                            | 0                              | $\vdash$ |
|  | Taxable Capital  |                            | 0  | 10,001,007                 |                            |                                |          |
| 78   | Taxable Capital  |                            |  |                            |                            |                                | _        |
| 78<br>79   | Taxable Capital  Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3   | 20                         | 0.2250%  | 0.0000%                    |                            | 0.2250%                        |          |
| 78<br>79<br>80   | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  | 20                         |  |                            |                            |                                |          |
| 78<br>79<br>80<br>81   | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Gross Amount of LCT before surtax offset (Taxable Capital x Rate)   |                            | 0  | 0                          |                            | 0.2250%                        |          |
| 78<br>79<br>80<br>81<br>82   | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  | 20                         |  |                            |                            |                                |          |
| 78<br>79<br>80<br>81   | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Gross Amount of LCT before surtax offset (Taxable Capital x Rate)  Less: Federal Surtax 1.12% x Taxable Income  |                            | 0  | 0                          |                            |                                |          |
| 78<br>79<br>80<br>81<br>82<br>83<br>84   | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income  Net LCT  |                            | 0  | 0                          |                            | 0                              |          |
| 78<br>79<br>80<br>81<br>82<br>83<br>84<br>85   | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Gross Amount of LCT before surtax offset (Taxable Capital x Rate)  Less: Federal Surtax 1.12% x Taxable Income  |                            | 0  | 0                          |                            | 0                              |          |
| 78<br>79<br>80<br>81<br>82<br>83<br>84<br>85<br>86   | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income  Net LCT  III) INCLUSION IN RATES   |                            | 0  | 0                          |                            | 0                              |          |
| 78<br>79<br>80<br>81<br>82<br>83<br>84<br>85<br>86<br>87                                     | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income  Net LCT  |                            | 0  | 0                          |                            | 0                              |          |
| 78<br>79<br>80<br>81<br>82<br>83<br>84<br>85<br>86   | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income  Net LCT  III) INCLUSION IN RATES   |                            | 0  | 0                          | Actual 2002                | 0                              |          |
| 78<br>79<br>80<br>81<br>82<br>83<br>84<br>85<br>86<br>87<br>88<br>89<br>90                   | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income  Net LCT  III) INCLUSION IN RATES.  Income Tax Rate used for gross- up  Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up)  | 21                         | 0<br>0<br>0<br>0<br>34.12%                     | 0                          | Actual 2002                | 0                              |          |
| 78<br>79<br>80<br>81<br>82<br>83<br>84<br>85<br>86<br>87<br>88<br>89<br>90<br>91             | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income  Net LCT  III) INCLUSION IN RATES  Income Tax Rate used for gross- up  Income Tax (proxy tax is grossed-up)   | 21                         | 0        | 0                          |                            | 0                              |          |
| 78<br>79<br>80<br>81<br>82<br>83<br>84<br>85<br>86<br>87<br>88<br>90<br>91<br>92<br>93       | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3  Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income  Net LCT  III) INCLUSION IN RATES.  Income Tax Rate used for gross- up  Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up)  | 21                         | 0<br>0<br>0<br>0<br>34.12%                     | 0                          | Actual 2002                | 0                              |          |
| 78<br>79<br>80<br>81<br>82<br>83<br>84<br>85<br>86<br>87<br>88<br>89<br>90<br>91             | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT  III) INCLUSION IN RATES. Income Tax Rate used for gross- up Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible) | 21<br>22<br>22<br>23<br>24 | 0<br>0<br>0<br>0<br>34.12%                     | 0                          | Actual 2002                | 0                              |          |
| 78<br>79<br>80<br>81<br>82<br>83<br>84<br>85<br>86<br>87<br>88<br>89<br>90<br>91<br>92<br>93 | Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3 Gross Amount of LCT before surtax offset (Taxable Capital x Rate) Less: Federal Surtax 1.12% x Taxable Income Net LCT  III) INCLUSION IN RATES. Income Tax Rate used for gross- up Income Tax (proxy tax is grossed-up) LCT (proxy tax is grossed-up) Ontario Capital Tax (no gross-up since it is deductible) | 21                         | 0<br>0<br>0<br>0<br>34.12%<br>169.819<br>4,685 | 0                          | Actual 2002<br>Actual 2002 | 0<br>0<br>0<br>0<br>0<br>6,553 |          |

|            | A   | В       | С        | D    | E                        | F                  | G                 | Н  |
|------------|---|---------|----------|------|--------------------------|--------------------|-------------------|--|
| 1          | 0   |         | Initial  |      | M of F                   | M of F             | Tax               |  |
| 3          | PILS DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)  |         | Estimate |      | Filing<br>Variance       | Filing<br>Variance | Returns           |  |
| 4          | ("Wires-only" business - see Tab TAXREC)  |         |          |      | K-C                      | Explanation        |                   |  |
| 5          | 0 Utility Name: Parry Sound Power Corporation   |         |          |      |                          |                    | Version 2009.1    |  |
| 7          | Reporting period: 2002  |         |          |      |                          |                    |                   |  |
| 8          | Days in reporting period:   | 365     | days     |      |                          |                    | Column<br>Brought | _  |
| 10         | Total days in the calendar year:  | 365     | days     |      |                          |                    | From              |  |
| 12         |   |         | \$       |      | \$                       |                    | TAXREC<br>\$      |  |
| 13         |   |         |          |      |                          |                    |                   |  |
| 98<br>99   | IV) FUTURE TRUE-UPS   |         |          |      |                          |                    |                   | <del>                                     </del> |
| 100        | IV a) Calculation of the True-up Variance   |         |          |      | DR/(CR)                  |                    |                   |  |
| 101        | In Additions: Employee Benefit Plans - Accrued, Not Paid  | 3       |          |      | 0                        |                    |                   |  |
| 103<br>104 | Tax reserves deducted in prior year Reserves from financial statements-end of year                    | 4       |          |      | 0                        |                    |                   | ļ  |
| 105        | Regulatory Adjustments  | 5       |          |      | 0                        |                    |                   |  |
| 106<br>107 |   | 6       |          |      | 0                        |                    |                   | -  |
| 108        | In Deductions - positive numbers  |         |          |      |                          |                    |                   |  |
| 109        | Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes                       | 8<br>9  |          |      | 0                        |                    |                   | <del>                                     </del> |
| 111        | Regulatory Adjustments  | 10      |          |      | 0                        |                    |                   |  |
| 112        | Interest Adjustment for tax purposes (See Below - cell I204) Tax reserves claimed in current year     | 11<br>4 |          |      | 0                        |                    |                   | <del>                                     </del> |
| 114        | Reserves from F/S beginning of year   | 4       |          |      | 0                        |                    |                   |  |
|            | Contributions to deferred income plans Contributions to pension plans                                 | 3       |          |      | 0                        |                    |                   | ₩  |
| 117        | Other deductions "Material" Items TAXREC  | 12      |          |      | 0                        |                    |                   |  |
| 118<br>119 | Other deductions "Material" Item TAXREC 2   | 12      |          |      | 0                        |                    |                   | <u> </u>   |
| 120        | Total TRUE-UPS before tax effect  | 26      |          | =    | 0                        |                    |                   |  |
| 121<br>122 | Income Tax Rate   |         |          | х    | 24.55%                   |                    |                   | <del>                                     </del> |
| 123        |   |         |          |      |                          |                    |                   |  |
| 124<br>125 | Income Tax Effect on True-up adjustments  |         |          | =    | 0                        |                    |                   |  |
| 126        | Less: Miscellaneous Tax Credits   | 14      |          |      | 0                        |                    |                   |  |
| 127<br>128 | Total Income Tax on True-ups  |         |          |      | 0                        |                    |                   |  |
| 129        | Income Tay Date yand for supply ye (avalyde system)   |         |          |      | 22.420/                  |                    |                   |  |
| 130<br>131 | Income Tax Rate used for gross-up (exclude surtax)  |         |          |      | 23.43%                   |                    |                   |  |
| 132<br>133 | TRUE-UP VARIANCE ADJUSTMENT   |         |          |      | 0                        |                    |                   | ļ  |
| 133        | IV b) Calculation of the Deferral Account Variance caused by  |         |          |      |                          |                    |                   |  |
| 134<br>135 | changes in legislation  |         |          |      |                          |                    |                   |  |
| 133        | REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the   |         |          |      |                          |                    |                   |  |
| 136<br>137 | initial estimate column)  |         |          | =    | 327,891                  |                    |                   | ₩,   |
| 138        | REVISED CORPORATE INCOME TAX RATE   |         |          | х    | 24.55%                   |                    |                   |  |
| 139<br>140 | REVISED REGULATORY INCOME TAX   |         |          | =    | 80,497                   |                    |                   | -  |
| 141        |   |         |          |      | 00,437                   |                    |                   |  |
| 142<br>143 | Less: Revised Miscellaneous Tax Credits   |         |          | -    | 0                        |                    |                   | -  |
| 144        | Total Revised Regulatory Income Tax   |         |          | =    | 80,497                   |                    |                   |  |
| 145        | Less: Regulatory Income Tax reported in the Initial Estimate Column                                   |         |          |      |                          |                    |                   | -  |
| 146        | (Cell C58)  |         |          | -    | 111,876                  |                    |                   |  |
| 147<br>148 | Regulatory Income Tax Variance  |         |          | =    | -31,379                  |                    |                   |  |
| 149        |   |         |          |      |                          |                    |                   |  |
|            | Ontario Capital Tax Base  |         |          | =    | 6,561,667                |                    |                   | <del>                                     </del> |
| 152        | Less: Exemption from tab Tax Rates, Table 2, cell C39   |         |          | ŀ    | 5,000,000                |                    |                   |  |
| 153<br>154 | Revised deemed taxable capital  |         |          | =    | 1,561,667                |                    |                   | $^{\perp}$                                       |
| 155        | Rate  |         |          | Х    | 0.3000%                  |                    |                   | $\vdash$   |
| 156<br>157 | Revised Ontario Capital Tax   |         |          | =    | 4,685                    |                    |                   | L  |
| 158        | Less: Ontario Capital Tax reported in the initial estimate column (Cell                               |         |          |      |                          |                    |                   |  |
| 159        | C70) Regulatory Ontario Capital Tax Variance  |         |          | - =  | 4,685<br>0               |                    |                   |  |
| 160        | Federal LCT   |         |          | H    |                          |                    |                   | H  |
| 162        | Base  |         |          |      | 6,561,667                |                    |                   |  |
| 163<br>164 | Less: Exemption from tab Tax Rates, Table 2, cell C40 Revised Federal LCT                             |         |          | . 11 | 10,000,000<br>-3,438,333 |                    |                   | igspace  |
| 165        |   |         |          | Ē    |                          |                    |                   |  |
| 166<br>167 | Rate  |         |          |      | 0.2250%                  |                    |                   | $\vdash$   |
| 168        | Gross Amount  |         |          |      | 0                        |                    |                   |  |
| 169<br>170 | Less: Federal surtax Revised Net LCT  |         |          | - 1  | 0                        |                    |                   | $\vdash$   |
| 171        |   |         |          |      |                          |                    |                   |  |
| 172<br>173 | Less: Federal LCT reported in the initial estimate column (Cell C82)  Regulatory Federal LCT Variance |         |          | - =  | 0                        |                    |                   | $\vdash$   |
| 174        |   |         |          |      | 60.10                    |                    |                   |  |
| 175<br>176 | Actual Income Tax Rate used for gross-up (exclude surtax)   |         |          |      | 23.43%                   |                    |                   | ╁  |
| 177        |   |         |          | + -  | -40,981                  |                    |                   |  |
| 178<br>179 | LCT (grossed-up) Ontario Capital Tax  |         |          | +    | 0                        |                    |                   | <del>                                     </del> |
| 180        |   |         |          |      |                          |                    |                   |  |
| 181<br>182 | DEFERRAL ACCOUNT VARIANCE ADJUSTMENT  |         |          | =    | -40,981                  |                    |                   | L  |
| 183<br>184 | TRUE-UP VARIANCE (from cell I130)   |         |          | +    | 0                        |                    |                   | 1  |
| 185        | Total Deferral Account Entry (Positive Entry = Debit)   |         |          | =    | -40,981                  |                    |                   | E  |
| 186<br>187 | (Deferral Account Variance + True-up Variance)  |         |          |      |                          |                    |                   | $\vdash$   |
| 188        |   |         |          |      |                          |                    |                   | $\vdash$   |

|     | A   | В    | С        | D | Е        | F           | G              | Н |
|-----|---|------|----------|---|----------|-------------|----------------|---|
| 1   | 0   | ITEM | Initial  |   | M of F   | M of F      | Tax            |   |
| 2   | PILs DEFERRAL AND VARIANCE ACCOUNTS                         |      | Estimate |   | Filing   | Filing      | Returns        |   |
|     | TAX CALCULATIONS (TAXCALC)                                  |      |          |   | Variance | Variance    |                |   |
| 4   |   |      |          |   | K-C      | Explanation |                |   |
| 5   | 0   |      |          |   |          |             | Version 2009.1 |   |
| 6   | Utility Name: Parry Sound Power Corporation                 |      |          |   |          |             |                |   |
| 7   | Reporting period: 2002                                      |      |          |   |          |             |                |   |
| 8   |   |      |          |   |          |             | Column         |   |
| 9   | Days in reporting period:                                   | 365  | days     |   |          |             | Brought        |   |
| 10  | Total days in the calendar year:                            | 365  | days     |   |          |             | From           |   |
| 11  |   |      |          |   |          |             | TAXREC         |   |
| 12  |   |      | \$       |   | \$       |             | \$             |   |
| 13  |   |      |          |   |          |             |                |   |
| 189 |   |      |          |   |          |             |                |   |
| 190 | V) INTEREST PORTION OF TRUE-UP                              |      |          |   |          |             |                |   |
| 191 | Variance Caused By Phase-in of Deemed Debt                  |      |          |   |          |             |                |   |
| 192 |   |      |          |   |          |             |                |   |
| 193 | Total deemed interest (REGINFO)                             |      |          |   | 237,860  |             |                |   |
|     | Interest phased-in (Cell C36)                               |      |          |   | 161,620  |             |                |   |
| 195 |   |      |          |   |          |             |                |   |
| 196 | Variance due to phase-in of debt component of MARR in rates |      |          |   | 76,240   |             |                |   |
| 197 |   |      |          |   |          |             |                |   |
| 198 |   |      |          |   |          |             |                |   |
| 199 | Other Interest Variances (i.e. Borrowing Levels             |      |          |   |          |             |                |   |
| 200 | Above Deemed Debt per Rate Handbook)                        |      |          |   |          |             |                |   |
| 201 | Interest deducted on MoF filing (Cell K36+K41)              |      |          |   | 176,444  |             |                |   |
| 202 |   |      |          |   | 237,860  |             |                |   |
| 203 |   |      |          |   |          |             |                |   |
|     | Variance caused by excess debt                              |      |          |   | 0        |             |                |   |
| 205 |   |      |          |   |          |             |                |   |
| 206 |   |      |          |   | 0        |             |                |   |
| 207 |   |      |          |   |          |             |                |   |
|     | Total Interest Variance                                     |      |          |   | 76,240   |             |                |   |
| 209 |   |      |          |   |          |             |                |   |
| 210 |   |      |          |   |          |             |                |   |
| 211 |   |      |          |   |          |             |                |   |

|          | A  | В          | С                    | D                         | E                   | F  |
|----------|--|------------|----------------------|---------------------------|---------------------|--|
| 2        | TAX RETURN RECONCILIATION (TAXREC)   | LINE       | M of F<br>Corporate  | Non-wires<br>Eliminations | Wires-only<br>Tax   |  |
| 3        | (for "wires-only" business - see s. 72 OEB Act)  |            | Tax                  | Eliminations              | Return              |  |
| 4        | 10 Wiles only Business See S. 72 GEB 760   |            | Return               |                           | Rotuiii             |  |
| 5        |  |            |                      |                           | Version 2009.1      |  |
|          | Section A: Identification:   |            |                      |                           |                     |  |
| 7        | Utility Name: Parry Sound Power Corporation  |            |                      |                           |                     |  |
| 9        | Reporting period: 2002 Taxation Year's start date:   |            |                      |                           |                     |  |
|          | Taxation Year's end date:  |            |                      |                           |                     |  |
| 11       | Number of days in taxation year:   |            | 365                  | days                      |                     |  |
| 12       |  |            |                      | ,.                        |                     |  |
|          | Please enter the Materiality Level :   |            | 8,202                | < - 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)  Does the utility carry on non-wires related operation?                            | Y/N<br>Y/N |                      |                           |                     |  |
| 18       | (Please complete the questionnaire in the Background questionnaire   |            | hoot \               |                           |                     |  |
| 19       | (i lease complete the questionnaire in the background questionnaire  | WOIKS      | neet.j               |                           |                     |  |
| 20       | Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K  |            |                      |                           |                     |  |
| 21       |  |            |                      |                           |                     |  |
|          | Section B: Financial statements data:  |            |                      |                           |                     |  |
| 23       | Input unconsolidated financial statement data submitted with Tax returns.  |            |                      |                           |                     |  |
| 24<br>25 | The actual categories of the income statements should be used.  If required please change the descriptions except for amortization, interest | ovnone     | o and provision for  | incomo tov                |                     |  |
| 26       | in required please change the descriptions except for amortization, interest   | expens     | e and provision for  | income tax                |                     |  |
| 27       | Please enter the non-wire operation's amount as a positive number, the pr  | oaram :    | automatically treats | all amounts               |                     |  |
| 28       | in the "non-wires elimination column" as negative values in TAXREC and 1   |            |                      |                           |                     |  |
| 29       |  |            |                      |                           |                     |  |
|          | Income:  |            |                      |                           |                     |  |
| 31       | Energy Sales   | +          | 4 10 1 000           |                           | 0                   |  |
| 32       | Distribution Revenue   | +          | 1,184,000<br>64,686  |                           | 1,184,000<br>64,686 |  |
| 34       | Other Income Miscellaneous income  | +          | 04,086               |                           | 64,686              | <del>                                     </del> |
| 35       |  | +          |                      |                           | 0                   |  |
| _        | Revenue should be entered above this line  |            |                      |                           | V                   |  |
| 37       |  |            |                      |                           |                     |  |
|          | Costs and Expenses:  |            |                      |                           |                     |  |
| 39       | Cost of energy purchased   | -          |                      |                           | 0                   | igsquare   |
| 40       | Administration Customer billing and collecting   | -          | 246,158<br>234,693   |                           | 246,158<br>234,693  | <del>                                     </del> |
| 42       | Operations and maintenance   | -          | 234,693              |                           | 234,693             |  |
| 43       | Amortization   | -          | 351,323              |                           | 351,323             |  |
| 44       | Ontario Capital Tax  | -          | 6,543                |                           | 6,543               |  |
| 45       |  | -          |                      |                           | 0                   |  |
| 46       |  | -          |                      |                           | 0                   |  |
| 47       | Other items expensed   | -          |                      |                           | 0                   |  |
| 48       |  | -          |                      |                           | 0                   |  |
| 49       | Net Income Before Interest & Income Taxes EBIT   |            | 172,909              | 0                         | 172,909             |  |
|          | Less: Interest expense for accounting purposes   | =          | 172,909              | U                         | 172,909             |  |
| 52       | Provision for payments in lieu of income taxes   | -          | 170,111              |                           | 0                   |  |
| 53       | Net Income (loss)  | =          | -3,535               | 0                         | -3,535              |  |
| - 4      | (The Net Income (loss) on the MoF column should equal to the net income (loss)   |            |                      |                           |                     |  |
| 54<br>55 | per financial statements on Schedule 1 of the tax return. )  |            |                      |                           |                     |  |
|          | Section C: Reconciliation of accounting income to taxable income   |            |                      |                           |                     |  |
|          | From T2 Schedule 1   |            |                      |                           |                     |  |
| 58       | BOOK TO TAX ADDITIONS:   |            |                      |                           |                     |  |
|          | Provision for income tax   | +          | 0                    | 0                         | 0                   |  |
|          | Federal large corporation tax  | +          |                      |                           | 0                   |  |
|          | Depreciation & Amortization Employee benefit plans-accrued, not paid   | +          | 325,647              | 0                         | 325,647<br>0        |  |
|          | Tax reserves - beginning of year   | +          | 0                    | 0                         | 0                   |  |
|          | Reserves from financial statements- end of year  | +          | 0                    | 0                         | 0                   |  |
|          | Regulatory adjustments on which true-up may apply (see A66)  | +          |                      |                           | 0                   |  |
| 66       | Items on which true-up does not apply "TAXREC 3"   |            | 0                    | 0                         | 0                   |  |
|          | Material addition items from TAXREC 2  | +          | 0                    | 0                         | 0                   |  |
|          | Other addition items (not Material) from TAXREC 2  | +          | 0                    | 0                         | 0                   | ļ  |
| 69<br>70 | Cubtatal   |            | 325.647              | ^                         | 005.047             |  |
| 71       | Subtotal   | <u> </u>   | 325,647              | 0                         | 325,647             | $\vdash$   |
|          | Other Additions: (Please explain the nature of the additions)  |            |                      |                           |                     |  |
|          | Recapture of CCA   | +          |                      |                           | 0                   |  |
|          | Non-deductible meals and entertainment expense   | +          |                      |                           | 0                   |  |
|          | Capital items expensed   | +          |                      |                           | 0                   | ļ  |
| 76<br>77 | DEPRECIATION DIFFERENCE  | +          |                      |                           | 0                   |  |
| 78       |  | +          |                      |                           | 0                   |  |
| 79       |  | +          |                      |                           | 0                   |  |
| 80       | Total Other Additions  | =          | 0                    | 0                         | 0                   |  |
| 81       |  |            |                      |                           |                     |  |
| 82       | Total Additions  | =          | 325,647              | 0                         | 325,647             |  |
| 83       | Decen Material Additional  |            |                      |                           |                     |  |
| 85       | Recap Material Additions:  |            | 0                    | 0                         | 0                   |  |
| 86       |  |            | 0                    | 0                         | 0                   |  |
| 87       |  |            | 0                    | 0                         | 0                   |  |
| 88       |  |            | 0                    | 0                         | 0                   |  |
| 89       |  |            | 0                    | 0                         | 0                   |  |
| 90       |  |            | 0                    | 0                         | 0                   |  |
| 91<br>92 | Total Other additions - materiality level  |            | 0                    | 0                         | 0                   |  |
|          | Total Other additions >materiality level  Other additions (less than materiality level)  |            | 0                    | 0                         | 0                   |  |
|          | Other additions (less than materiality level) Total Other Additions  |            | 0                    | 0                         | 0                   |  |
| 95       |  |            |                      |                           |                     |  |
|          |  | _          | _                    | _                         |                     |  |

|            | A   | В    | С         | D            | Е              | F |
|------------|---|------|-----------|--------------|----------------|---|
| 1          | (   | 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         |   |
| 5          |   | ,    | Return    |              | Version 2009.1 |   |
|            | BOOK TO TAX DEDUCTIONS:   |      |           |              | 10.0.0         |   |
| 97         | Capital cost allowance  | -    | 279,713   |              | 279,713        |   |
| 98         | Cumulative eligible capital deduction   | -    | 45,410    |              | 45,410         |   |
|            | Employee benefit plans-paid amounts   | -    |           |              | 0              |   |
| 100        | Items capitalized for regulatory purposes  Regulatory adjustments:                                    | -    |           |              | 0              |   |
| 102        | CCA   | -    |           |              | 0              |   |
| 103        | other deductions  | -    |           |              | 0              |   |
| 104        | Tax reserves - end of year  | -    | 0         | 0            | 0              |   |
| 105        | Reserves from financial statements- beginning of year   | -    | 0         | 0            | 0              |   |
| 106        |   | -    |           |              | 0              |   |
| 107        | Contributions to pension plans  | -    | 146,705   | 0            | 0<br>146.705   |   |
|            | Items on which true-up does not apply "TAXREC 3" Interest capitalized for accounting deducted for tax | -    | 140,703   | 0            | 0              |   |
|            | Material deduction items from TAXREC 2  |      | 0         | 0            | 0              |   |
| 111        | Other deduction items (not Material) from TAXREC 2  | -    | 0         | 0            | 0              |   |
| 112        |   |      |           |              |                |   |
| 113        | Subtotal  | =    | 471,828   | 0            | 471,828        |   |
| 114<br>115 |   | -    |           |              | 0              |   |
| 116        | Charitable donations - tax basis Gain on disposal of assets   | -    |           |              | 0              |   |
| 117        | Call of disposal of assets  | -    |           |              | 0              |   |
| 118        |   |      |           |              | 0              |   |
| 119        |   | -    |           |              | 0              |   |
| 120        | Total Other Deductions  | =    | 0         | 0            | 0              |   |
| 121<br>122 | Total Deductions  | =    | 471,828   | 0            | 471,828        |   |
| 123        | Total Deductions  | =    | 4/ 1,020  | U            | 4/1,020        |   |
| 124        | Recap Material Deductions:  |      |           |              |                |   |
| 125        | ·   |      | 0         | 0            | 0              |   |
| 126        |   |      | 0         | 0            | 0              |   |
| 127<br>128 |   |      | 0         | 0            | 0              |   |
| 128        |   |      | 0         | 0            | 0              |   |
| 130        | Total Other Deductions exceed materiality level   |      | 0         | 0            | 0              |   |
|            | Other Deductions less than materiality level  |      | 0         | 0            | 0              |   |
| 132        | Total Other Deductions  |      | 0         | 0            | 0              |   |
| 133        | TAVARIE NICOLES   |      | =         |              |                |   |
| 134        | TAXABLE INCOME DEDUCT:  | =    | -149,716  | 0            | -149,716       |   |
| 136        |   | -    |           |              | 0              |   |
| 137        |   | -    |           |              | 0              |   |
| 138        |   |      |           |              | 0              |   |
|            | NET TAXABLE INCOME  | =    | -149,716  | 0            | -149,716       |   |
| 140        | EDOM ACTUAL TAY DETUDNO   | 1 1  |           |              |                |   |
|            | FROM ACTUAL TAX RETURNS  Net Federal Income Tax (Must agree with tax return)                          | +    | 0         |              | 0              |   |
|            | Net Ontario Income Tax (Must agree with tax return)   | +    | 0         |              | 0              |   |
| 144        | Subtotal  | =    | 0         | 0            | 0              |   |
|            | Less: Miscellaneous tax credits (Must agree with tax returns)   | -    | 0         |              | 0              |   |
|            | Total Income Tax  | =    | 0         | 0            | 0              |   |
| 147        | FROM ACTUAL TAX RETURNS   |      |           |              |                |   |
| 149        |   |      | 0.00%     |              | 0.00%          |   |
| 150        | Net Ontario Income Tax Rate (Must agree with tax return)  |      | 0.00%     |              | 0.00%          |   |
| 151        | Blended Income Tax Rate   |      | 0.00%     | *******      | 0.00%          |   |
| 152        |   |      |           |              |                |   |
|            | Section F: Income and Capital Taxes   |      |           |              |                |   |
| 154        | RECAP   | + -  |           |              |                |   |
| 156        | Total Income Taxes  | +    | 0         | 0            | 0              |   |
| 157        | Ontario Capital Tax   | +    | 6,553     | Ü            | 6,553          |   |
| 158        | Federal Large Corporations Tax  | +    | 0         |              | 0              |   |
| 159        |   |      |           |              |                |   |
| 160        | Total income and capital taxes  | =    | 6,553     | 0            | 6,553          |   |
| 161        |   |      |           |              |                |   |

|          | A  | В    | С         | D                                     | Е              | F |
|----------|--|------|-----------|---------------------------------------|----------------|---|
| 1        |  | 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        |  | )    |           |                                       | Version 2009.1 |   |
| 6        |  |      |           |                                       |                |   |
| 7        | Utility Name: Parry Sound Power Corporation  |      |           |                                       |                |   |
| 8        | Reporting period: 2002   |      |           |                                       |                |   |
| 9        |  |      |           |                                       |                |   |
|          | TAX RESERVES   |      |           |                                       |                |   |
| 11       |  |      |           |                                       |                |   |
|          | Beginning of Year:   |      |           |                                       |                |   |
| 13       | Reserve for doubtful accounts ss. 20(1)(I)   | -    |           |                                       | 0              |   |
|          | Reserve for goods & services ss.20(1)(n)  Reserve for goods & services ss.20(1)(m) |      |           |                                       | 0              |   |
|          | Reserve for unpaid amounts ss.20(1)(n)   | +    |           |                                       | 0              |   |
|          | Debt and share issue expenses ss.20(1)(e)  |      |           |                                       | 0              |   |
|          | Other - Please describe  |      |           |                                       | 0              |   |
| 19       | Other - Please describe  |      |           |                                       | 0              |   |
| 20       |  |      |           |                                       | 0              |   |
| 21       |  |      |           |                                       | 0              |   |
| 22       | Total (carry forward to the TAXREC worksheet)                                      |      | 0         | 0                                     | 0              |   |
| 23       |  |      |           |                                       |                |   |
|          | End of Year:   | ļ    |           |                                       |                |   |
| 25       |  |      |           |                                       | 0              |   |
|          | Reserve for doubtful accounts ss. 20(1)(I)   |      |           |                                       | 0              |   |
|          | Reserve for goods & services ss.20(1)(m)   |      |           |                                       | 0              |   |
|          | Reserve for unpaid amounts ss.20(1)(n)   | -    |           |                                       | 0              |   |
| 29       | Debt and share issue expenses ss.20(1)(e) Other - Please describe                  |      |           |                                       | 0              |   |
| 30       | Other - Please describe Other - Please describe                                    | -    |           |                                       | 0              |   |
| 32       | Other - Flease describe  |      |           |                                       | 0              |   |
| 33       |  | +    |           |                                       | 0              |   |
|          | Insert line above this line  |      |           |                                       | Ü              |   |
| 35       | Total (carry forward to the TAXREC worksheet)                                      |      | 0         | 0                                     | 0              |   |
| 36       | ,  |      |           |                                       |                |   |
| 37       |  |      |           |                                       |                |   |
|          | FINANCIAL STATEMENT RESERVES   |      |           |                                       |                |   |
| 39       |  |      |           |                                       |                |   |
|          | Beginning of Year:   |      |           |                                       |                |   |
| 41       |  |      |           |                                       | 0              |   |
| 42       | Favironmental  | -    |           |                                       | 0              |   |
|          | Environmental Allowance for doubtful accounts                                      | +    |           |                                       | 0              |   |
|          | Allowance for doubtful accounts Inventory obsolescence                             | +    |           |                                       | 0              |   |
| 46       | Property taxes   | 1    |           |                                       | 0              |   |
| 47       | Employee Future Benefits   | 1    |           |                                       | 0              |   |
|          | Other - Please describe  | 1    |           |                                       | 0              |   |
| 49       |  | 1    |           |                                       | 0              |   |
|          | Total (carry forward to the TAXREC worksheet)                                      |      | 0         | 0                                     | 0              |   |
| 51       |  |      |           |                                       |                |   |
|          | End of Year:   |      |           | · · · · · · · · · · · · · · · · · · · |                |   |
| 53       |  |      |           |                                       | 0              |   |
| 54       |  |      |           |                                       | 0              |   |
|          | Environmental  |      |           |                                       | 0              |   |
|          | Allowance for doubtful accounts  | 1    |           |                                       | 0              |   |
|          | Inventory obsolescence   | 1    |           |                                       | 0              |   |
|          | Property taxes   | +    |           |                                       | 0              |   |
| 59<br>60 | Employee Future Benefits Other - Please describe                                   | -    |           |                                       | 0              |   |
| 61       | Other - Librase resoline   | +    |           |                                       | 0              |   |
| 62       | Insert line above this line  | +    |           |                                       | U              |   |
| 63       | Total (carry forward to the TAXREC worksheet)                                      |      | 0         | 0                                     | 0              |   |
| 64       | . July lower to the TANKED WORKSHEEL   |      | U         |                                       | U              |   |
|          |  | -    |           |                                       |                |   |

|          | A  | В    | С            | D            | E               | F |
|----------|--|------|--------------|--------------|-----------------|---|
| 1        |  |      |              |              |                 |   |
| 2        |  | LINE | M of F       | Non-wires    | Wires-only      |   |
|          | TAX RETURN RECONCILIATION (TAXREC 2)   |      | Corporate    | Eliminations | Tax             |   |
| 5        | (for "wires-only" business - see s. 72 OEB Act) RATEPAYERS ONLY                      |      | Tax          |              | Return          |   |
| 6        | Shareholder-only Items should be shown on TAXREC 3                                   |      | Return       |              | Version 2009.1  |   |
| 7        | Onarcholder-only items should be shown on TAXLEG 3                                   |      |              |              | VE131011 2003.1 |   |
|          | Utility Name: Parry Sound Power Corporation  |      |              |              |                 |   |
|          | Reporting period: 2002   |      |              |              |                 |   |
|          | Number of days in taxation year: Materiality Level:                                  |      | 365<br>8,202 |              |                 |   |
| 12       | Materiality Level:   |      | 8,202        |              |                 |   |
| 13       |  |      |              |              |                 |   |
| 14       |  |      |              |              |                 |   |
|          | Section C: Reconciliation of accounting income to taxable income                     |      |              |              |                 |   |
|          | Add:   |      |              |              | 0               |   |
| 17       | Gain on sale of eligible capital property  | +    |              |              | 0               |   |
| 19       | Loss on disposal of assets   | +    |              |              | 0               |   |
|          | Charitable donations (Only if it benefits ratepayers)                                | +    |              |              | 0               |   |
|          | Taxable capital gains  | +    |              |              | 0               |   |
| 22       | Colombific vegeovely appropriate year deducated                                      | +    |              |              | 0               |   |
| 23       | Scientific research expenditures deducted per financial statements                   | +    |              |              | 0               |   |
|          | Capitalized interest   | +    |              |              | 0               |   |
| 26       | Soft costs on construction and renovation of buildings                               | +    |              |              | 0               |   |
|          | Capital items expensed   | +    |              |              | 0               |   |
|          | Debt issue expense   | +    |              |              | 0               |   |
|          | Financing fees deducted in books Gain on settlement of debt                          | +    |              |              | 0               |   |
|          | Interest paid on income debentures   | +    |              |              | 0               |   |
|          | Recapture of SR&ED expenditures  | +    |              |              | 0               |   |
|          | Share issue expense  | +    |              |              | 0               |   |
|          | Write down of capital property   | +    |              |              | 0               |   |
|          | Amounts received in respect of qualifying environment trust  Provision for bad debts | +    |              |              | 0               |   |
| 37       | FTOVISION TO DAU GEDIS   | +    |              |              | 0               |   |
| 38       |  | +    |              |              | 0               |   |
| 39       |  | +    |              |              | 0               |   |
|          | Other Additions: (please explain in detail the nature of the item)                   | +    |              |              | 0               |   |
| 41<br>42 |  | +    |              |              | 0               |   |
| 43       |  | +    |              |              | 0               |   |
| 44       |  | +    |              |              | 0               |   |
| 45       | Total Additions  | +    |              |              |                 |   |
| 46       | Total Additions  | =    | 0            | 0            | 0               |   |
|          | Recap of Material Additions:   |      |              |              |                 |   |
| 49       |  |      | 0            | 0            | 0               |   |
| 50       |  |      | 0            | 0            | 0               |   |
| 51<br>52 |  |      | 0            | 0            | 0               |   |
| 53       |  |      | 0            | 0            | 0               |   |
| 54       |  |      | 0            | 0            | 0               |   |
| 55       |  |      | 0            | 0            | 0               |   |
| 56       |  |      | 0            | 0            | 0               |   |
| 57<br>58 |  |      | 0            | 0            | 0               |   |
| 59       |  |      | 0            | 0            |                 |   |
| 60       |  |      | 0            | 0            | 0               |   |
| 61       |  |      | 0            | 0            | 0               |   |
| 62       |  |      | 0            | 0            | 0               |   |
| 63<br>64 |  |      | 0            | 0            | 0               |   |
| 65       |  |      | 0            | 0            | 0               |   |
| 66       |  |      | 0            | 0            | 0               |   |
| 67       |  |      | 0            | 0            | 0               |   |
| 68<br>69 |  |      | 0            | 0            | 0               |   |
| 70       |  |      | 0            | 0            | 0               |   |
| 71       |  |      | 0            | 0            | 0               |   |
| 72       |  |      | 0            | 0            | 0               |   |
| 73       |  |      | 0            | 0            | 0               |   |
| 74<br>75 |  |      | 0            | 0            | 0               |   |
| 76       |  |      | 0            | 0            | 0               |   |
| 77       | Total Material additions   |      | 0            | 0            | 0               |   |
|          | Other additions less than materiality level  |      | 0            | 0            | 0               |   |
| 79       | Total Additions  |      | 0            | 0            | 0               |   |

|        | A   | В    | С         | D            | E              | F |
|--------|---|------|-----------|--------------|----------------|---|
| _      | A   | В    | C         | D            | E              | F |
| 1      |   |      |           |              | 140            |   |
| 3      |   | LINE | M of F    | Non-wires    | Wires-only     |   |
|        | TAX RETURN RECONCILIATION (TAXREC 2)                                |      | Corporate | Eliminations | Tax            |   |
| 4      | (for "wires-only" business - see s. 72 OEB Act)                     |      | Tax       |              | Return         |   |
|        | RATEPAYERS ONLY   |      | Return    |              | 1/ 1 0000 /    |   |
| 6<br>7 | Shareholder-only Items should be shown on TAXREC 3                  |      |           |              | Version 2009.1 |   |
|        |   |      |           |              |                |   |
|        | Utility Name: Parry Sound Power Corporation                         |      |           |              |                |   |
|        | Reporting period: 2002  |      | 225       |              |                |   |
|        | Number of days in taxation year:                                    |      | 365       |              |                |   |
|        | Materiality Level:  |      | 8,202     |              |                |   |
| 12     |   |      |           |              |                |   |
| 13     |   |      |           |              |                |   |
| 80     |   |      |           |              |                |   |
|        | Deduct:   |      |           |              |                |   |
|        | Gain on disposal of assets per f/s                                  | -    |           |              | 0              |   |
|        | Dividends not taxable under section 83                              | -    |           |              | 0              |   |
|        | Terminal loss from Schedule 8                                       | -    |           |              | 0              |   |
|        | Depreciation in inventory, end of prior year                        | -    |           |              | 0              |   |
|        | Scientific research expenses claimed in year from Form T661         | -    |           |              | 0              |   |
|        | Bad debts   | -    |           |              | 0              |   |
|        | Book income of joint venture or partnership                         | -    |           |              | 0              |   |
|        | Equity in income from subsidiary or affiliates                      | -    |           |              | 0              |   |
|        | Contributions to a qualifying environment trust                     | -    |           |              | 0              |   |
| 91     | Other income from financial statements                              | -    |           |              | 0              |   |
| 92     |   | -    |           |              |                |   |
| 93     |   | -    |           |              | 0              |   |
| 94     |   | -    |           |              | 0              |   |
| 95     | Other deductions: (Please explain in detail the nature of the item) | -    |           |              | 0              |   |
| 96     |   | -    |           |              | 0              |   |
| 97     |   | -    |           |              | 0              |   |
| 98     |   | -    |           |              | 0              |   |
| 99     | Total Deductions  | =    | 0         | 0            | 0              |   |
| 100    |   |      |           |              |                |   |
| 101    | Recap of Material Deductions:                                       |      |           |              |                |   |
| 102    |   |      | 0         | 0            | 0              |   |
| 103    |   |      | 0         | 0            | 0              |   |
| 104    |   |      | 0         | 0            | 0              |   |
| 105    |   |      | 0         | 0            | 0              |   |
| 106    |   |      | 0         | 0            | 0              |   |
| 107    |   |      | 0         | 0            | 0              |   |
| 108    |   |      | 0         | 0            | 0              |   |
| 109    |   |      | 0         | 0            | 0              |   |
| 110    |   |      | 0         | 0            | 0              |   |
| 111    |   |      | 0         | 0            | 0              |   |
| 112    |   |      | 0         | 0            | 0              |   |
| 113    |   |      | 0         | 0            | 0              |   |
| 114    |   |      | 0         | 0            | 0              |   |
| 115    |   |      | 0         | 0            | 0              |   |
| 116    |   |      | 0         | 0            | 0              |   |
| 117    |   |      | 0         | 0            | 0              |   |
| 118    |   |      | 0         | 0            | 0              |   |
|        | Total Deductions exceed materiality level                           |      | 0         | 0            | 0              |   |
|        | Other deductions less than materiality level                        |      | 0         | 0            | 0              |   |
| 121    | Total Deductions  |      | 0         | 0            | 0              |   |
| 122    | , otal 5 occolorio  |      | U         | 0            | U              |   |
| 122    |   |      |           |              | l .            |   |

|          | A   | В    | С         | D            | E              | F  |
|----------|---|------|-----------|--------------|----------------|--|
| 1        | A   | Б    | C         | D            | E .            | Г  |
| 2        | 0   |      |           |              |                |  |
|          | TAX RETURN RECONCILIATION (TAXREC 3)  |      |           |              |                |  |
| 4        | Shareholder-only Items should be shown on TAXREC 3  | LINE | M of F    | Non-wires    | Wires-only     |  |
| 5        | ITEMS ON WHICH TRUE-UP DOES NOT APPLY   |      | Corporate | Eliminations | Tax            | l  |
|          | (for "wires-only" business - see s. 72 OEB Act)   |      | Tax       |              | Return         |  |
| 7        | 0   |      | Return    |              |                |  |
|          | Utility Name: Parry Sound Power Corporation   |      |           |              | Version 2009.1 |  |
| 9<br>10  |   |      |           |              |                | <b>—</b>   |
|          | Reporting period: 2002  |      |           |              |                |  |
|          | Number of days in taxation year:  |      | 365       |              |                |  |
| 13       |   |      |           |              |                |  |
| 14       |   |      |           |              |                |  |
| 15       |   |      |           |              |                |  |
|          | Section C: Reconciliation of accounting income to taxable income                          |      |           |              |                | <b>-</b>   |
| 17<br>18 | Add:  |      |           |              |                |  |
|          | Recapture of capital cost allowance   | +    |           |              | 0              |  |
|          | CCA adjustments   | +    |           |              | 0              |  |
|          | CEC adjustments   | +    |           |              | 0              |  |
|          | Gain on sale of non-utility eligible capital property                                     | +    |           |              | 0              |  |
| 23       | Gain on sale of utility eligible capital property   | +    |           |              | 0              |  |
|          | Loss from joint ventures or partnerships  | +    |           |              | 0              |  |
|          | Deemed dividend income  | +    |           |              | 0              | ļ  |
|          | Loss in equity of subsidiaries and affiliates   | +    |           |              | 0              | <b> </b>   |
|          | Loss on disposal of utility assets Loss on disposal of non-utility assets                 | +    |           |              | 0              |  |
|          | Loss on disposal of non-utility assets  Depreciation in inventory -end of year            | +    |           |              | 0              |  |
|          | Depreciation and amortization adjustments   | ±    |           |              | 0              |  |
|          | Dividends credited to investment account  | +    |           |              | 0              |  |
|          | Non-deductible meals  | +    |           |              | 0              |  |
|          | Non-deductible club dues  | +    |           |              | 0              |  |
|          | Non-deductible automobile costs   | +    |           |              | 0              |  |
|          | Donations - amount per books  |      |           |              | 0              |  |
|          | Interest and penalties on unpaid taxes  |      |           |              | 0              |  |
|          | Management bonuses unpaid after 180 days of year end                                      |      |           |              | 0              | -  |
| 38       | Imputed interest expense on Regulatory Assets   | +    |           |              | 0              |  |
| 40       |   | +    |           |              | 0              |  |
| 41       |   | +    |           |              | 0              |  |
| 42       |   | +    |           |              | 0              |  |
| 43       |   | +    |           |              | 0              |  |
| 44       |   | +    |           |              | 0              |  |
| 45       |   | +    |           |              | 0              |  |
| 46<br>47 | Total Additions on soldals to so and associations by                                      | +    | 0         |              | 0              | <b>—</b>   |
| 48       | Total Additions on which true-up does not apply   | =    | 0         | 0            | 0              |  |
|          | Deduct:   |      |           |              |                |  |
| 50       |   |      |           |              |                |  |
|          | CCA adjustments   | -    |           |              | 0              |  |
|          | CEC adjustments   | -    |           |              | 0              |  |
|          | Depreciation and amortization adjustments   | -    |           |              | 0              |  |
|          | Gain on disposal of assets per financial statements                                       | -    |           |              | 0              |  |
|          | Financing fee amorization - considered to be interest expense for PILs                    | -    |           |              | 0              | <b> </b>   |
|          | Imputed interest income on Regulatory Assets  | -    |           |              | 0              | <del>                                     </del> |
|          | Donations - amount deductible for tax purposes Income from joint ventures or partnerships | -    |           |              | 0              |  |
| 59       | moome nom joint ventures or partnerships  | -    |           |              | 0              |  |
| 60       |   | -    |           |              | 0              |  |
| 61       |   | -    |           |              | 0              |  |
| 62       |   | -    |           |              | 0              |  |
| 63       |   | -    |           |              | 0              |  |
| 64       | Other deductions: (Please explain in detail the nature of the item)                       | -    |           |              | 0              | ļ  |
| 65       | Townships Onets controlled for one  | -    | 440 ===   |              | 0              | <b>-</b>   |
| 66<br>67 | Transition Costs capitalized for accounting purposes                                      | -    | 146,705   |              | 146,705        | <b>-</b>   |
| 68       |   | -    |           |              | 0              |  |
| 69       |   | -    |           |              | 0              |  |
| 70       |   | -    |           |              | 0              |  |
| 71       |   | -    |           |              | 0              |  |
| 72       |   | -    |           |              | 0              |  |
| 73       | Total Deductions on which true-up does not apply  | =    | 146,705   | 0            | 146,705        |  |
| 74       |   |      |           |              |                |  |
| 75       |   |      |           |              |                |  |

| 1  | Δ.  | В            | С             | D            | Е           | F            | G | Н | _    | _ |
|--|---|--------------|---------------|--------------|-------------|--------------|---|---|------|---|
| _  | Α 0   | В            | U             | U            | Ē           | I.           | J | П | <br> |   |
| 2  | Corporate Tax Rates                         |              |               |              | V           | ersion 2009. | ı |   |      |   |
| 3  |   |              |               |              |             |              |   |   |      |   |
| 4  |   | Power Corp   | oration       |              |             |              |   |   |      |   |
| 5<br>6   | Reporting period: 2002                      |              |               |              |             |              |   |   |      |   |
| 7  | 1   |              |               |              |             | Table 1      |   |   |      |   |
|  | Rates Used in 2002 RAM PI                   | Ls Applicat  | ions for 2002 | 2            |             | Table 1      |   |   |      |   |
| 9  |   |              | 0             |              | 200,001     |              |   |   |      |   |
| 10   |   |              | to            |              | to          | >700,000     |   |   |      |   |
| 11   |   | Year         | 200,000       |              | 700,000     |              |   |   |      |   |
| 12   | Income Tax Rate                             |              |               |              |             |              |   |   |      |   |
|  | Proxy Tax Year<br>Federal (Includes surtax) | 2002         | 13.12%        |              | 26.12%      | 26.12%       |   |   |      |   |
|  | and Ontario blended                         |              | 6.00%         |              | 6.00%       | 12.50%       |   |   |      |   |
| 16   |   |              | 19.12%        |              | 34.12%      | 38.62%       |   |   |      |   |
| 17   |   |              |               |              |             |              |   |   |      |   |
|  | Capital Tax Rate                            |              | 0.300%        |              |             |              |   |   |      |   |
|  | LCT rate                                    |              | 0.225%        |              |             |              |   |   |      |   |
| 20   | Surtax                                      | MAX          | 1.12%         |              |             |              |   |   |      |   |
| 21   | Ontario Capital Tax Exemption **            | S5MM         | 5,000,000     |              |             |              |   |   |      |   |
| - 1  | Federal Large                               |              |               |              |             |              |   |   |      |   |
|  | Corporations Tax                            | MAX          | 10,000,000    |              |             |              |   |   |      |   |
| 22   | Exemption **                                | \$10MM       |               |              |             |              |   |   |      |   |
|  | **Exemption amounts                         | must agre    | e with the    | Board-app    | roved 200   | 2 RAM        |   |   |      |   |
|  | PILs filing                                 | _            |               |              |             |              |   |   |      |   |
| 23   | _   |              |               |              |             |              |   |   |      |   |
| 24<br>25   | 1   |              |               |              |             | Table 2      |   |   |      |   |
|  | Expected Income Tax Rates                   | s for 2002 a | nd Capital Ta | ax Exemption | s for 2002  | Table 2      |   |   |      |   |
|  | Income Range                                |              | 0             | 2//0/11/0/1  | 200,001     | Taxable      |   |   |      |   |
|  | Expected Rates                              |              | to            |              | to          | Income       |   |   |      |   |
| 29   |   | Year         | 200,000       |              | 700,000     | \$327,891    |   |   |      |   |
|  | Income Tax Rate                             |              |               |              |             |              |   |   |      |   |
|  | Current year                                | 2002         |               |              |             |              |   |   |      |   |
|  | Federal (Includes surtax) Ontario           | 2002         |               |              |             |              |   |   |      |   |
| 34   |   | 2002         |               |              | 34.12%      | 24.55%       |   |   |      |   |
| 35   |   | 2002         |               |              | 0111270     | 2 110070     |   |   |      |   |
|  | Capital Tax Rate                            | 2002         | 0.300%        |              |             |              |   |   |      |   |
|  | LCT rate                                    | 2002         | 0.225%        |              |             |              |   |   |      |   |
| 38   | Surtax                                      | 2002         | 1.12%         |              |             |              |   |   |      |   |
| 30   | Ontario Capital Tax<br>Exemption *** 2002   | MAX<br>\$5MM | 5,000,000     |              |             |              |   |   |      |   |
| 55   | Federal Large                               |              |               |              |             |              |   |   |      |   |
|  | Corporations Tax                            | MAX          | 10,000,000    |              |             |              |   |   |      |   |
|  |   | \$10MM       |               |              |             |              |   |   |      |   |
| 40   |   |              |               |              |             |              |   |   |      |   |
| 40<br>41   | ***Allocation of exemp                      |              | t comply v    | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41   | ***Allocation of exemp                      |              | t comply v    | vith the Boa | ard's instr | uctions      |   |   |      |   |
|  | ***Allocation of exemp                      |              | t comply v    | vith the Boa | ard's instr | ructions     |   |   |      |   |
| 41<br>42<br>43<br>44   | ***Allocation of exemp                      |              | t comply w    | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45   | ***Allocation of exemp                      |              | t comply v    | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46   | ***Allocation of exemp                      |              | t comply v    | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46<br>47   | ***Allocation of exemp                      |              | et comply v   | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46<br>47<br>48   | ***Allocation of exemp                      |              | et comply v   | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46<br>47<br>48   | ***Allocation of exemp                      |              | t comply v    | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46<br>47<br>48<br>49<br>50   | ***Allocation of exemp                      |              | st comply v   | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46<br>47<br>48<br>49<br>50<br>51<br>52                                     | ***Allocation of exemp                      |              | et comply v   | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46<br>47<br>48<br>49<br>50<br>51<br>52<br>53                               | ***Allocation of exemp                      |              | et comply v   | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46<br>47<br>48<br>49<br>50<br>51<br>52<br>53<br>54                         | ***Allocation of exemp                      |              | et comply v   | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46<br>47<br>48<br>49<br>50<br>51<br>52<br>53<br>54<br>55                   | ***Allocation of exemp                      |              | et comply v   | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46<br>47<br>48<br>49<br>50<br>51<br>52<br>53<br>54<br>55<br>56             | ***Allocation of exemp                      |              | et comply v   | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46<br>47<br>48<br>49<br>50<br>51<br>52<br>53<br>54<br>55<br>56<br>57       | ***Allocation of exemp                      |              | et comply v   | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46<br>47<br>48<br>49<br>50<br>51<br>52<br>53<br>54<br>55<br>56<br>57       | ***Allocation of exemp                      |              | et comply v   | vith the Boa | ard's instr | uctions      |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46<br>47<br>48<br>49<br>50<br>51<br>52<br>53<br>54<br>55<br>56<br>57       | ***Allocation of exemp                      |              | st comply v   | vith the Boa | ard's instr | ructions     |   |   |      |   |
| 41<br>42<br>43<br>44<br>45<br>46<br>47<br>48<br>49<br>50<br>51<br>52<br>53<br>54<br>55<br>56<br>57<br>58 | ***Allocation of exemp                      |              | et comply v   | vith the Boa | ard's instr | uctions      |   |   |      |   |

|    | A                                   | В       | С          | D | Е             | F        | G               | Н    | l l        | J | K          | L | M          | Ν | 0              |
|----|-------------------------------------|---------|------------|---|---------------|----------|-----------------|------|------------|---|------------|---|------------|---|----------------|
| 5  | 0                                   |         |            |   |               |          |                 |      |            |   |            |   |            |   |                |
| 6  | Analysis of PILs Tax Account        | t 1562: |            |   |               |          |                 |      |            |   |            |   |            |   |                |
| 7  | <b>Utility Name: Parry Sound Po</b> | wer Co  | orporation |   |               |          |                 |      |            |   |            |   |            |   | Version 2009.1 |
|    | Reporting period: 2002              |         |            |   | Sign Conventi | on: ·    | + for increase; | - fo | r decrease |   |            |   |            |   | 0              |
| 9  |                                     |         |            |   |               |          |                 |      |            |   |            |   |            |   |                |
| 10 |                                     |         |            |   |               |          |                 |      |            |   |            |   |            |   |                |
| 11 |                                     |         |            |   |               |          |                 |      |            |   |            |   |            |   |                |
|    | Year start:                         |         | 01/10/2001 |   | 01/01/2002    |          | 01/01/2003      |      | 01/01/2004 |   | 01/01/2005 |   | 01/01/2006 |   |                |
|    | Year end:                           |         | 31/12/2001 |   | 31/12/2002    |          | 31/12/2003      |      | 31/12/2004 |   | 31/12/2005 |   | 30/04/2006 |   | Total          |
| 14 |                                     |         |            |   |               | <u> </u> |                 |      |            |   |            |   |            |   |                |
| 15 | Opening balance:                    | =       | 0          |   | 0             |          | 0               |      | 0          |   | 0          |   | 0          |   | 0              |
|    | Board-approved PILs tax             | +/-     |            |   |               |          |                 |      |            |   |            |   |            |   |                |
|    | proxy from Decisions (1)            |         |            |   |               |          | 0               |      | . 0        |   | . 0        |   | 0          |   | 0              |
|    | PILs proxy from April 1,            |         |            |   |               |          |                 |      |            |   |            |   |            |   |                |
|    | 2005 - input 9/12 of amount         |         |            |   |               |          |                 |      |            |   |            |   |            |   | . 0            |
|    | True-up Variance                    | +/-     |            |   |               |          |                 |      |            |   |            |   |            |   |                |
| 18 | Adjustment Q4, 2001 (2)             |         |            |   |               |          |                 |      |            |   |            |   |            |   | 0              |
|    | True-up Variance                    | +/-     |            |   |               |          |                 |      |            |   |            |   |            |   |                |
|    | Adjustment (3)                      |         |            |   |               |          |                 |      |            |   |            |   |            |   | . 0            |
|    | Deferral Account Variance           |         |            |   |               |          |                 |      |            |   |            |   |            |   |                |
|    | Adjustment Q4, 2001 (4)             |         |            |   |               |          |                 |      |            |   |            |   |            |   | 0              |
|    | Deferral Account Variance           | +/-     |            |   |               |          |                 |      |            |   |            |   |            |   |                |
|    | Adjustment (5)                      |         |            |   |               |          |                 |      |            |   |            |   | -40,981    |   | -40,981        |
|    | Adjustments to reported             | +/-     |            |   |               |          |                 |      |            |   |            |   |            |   |                |
| 22 | prior years' variances (6)          |         |            |   |               | _        |                 |      |            |   |            |   |            |   | 0              |
| 23 | Carrying charges (7)                | +/-     |            |   |               |          |                 |      |            |   |            |   |            |   | 0              |
|    | PILs billed to (collected           | -       |            |   |               |          |                 |      |            |   |            |   |            |   |                |
| 24 | from) customers (8)                 |         | 0          |   |               |          |                 |      |            |   |            |   |            |   | 0              |
| 25 |                                     |         |            |   |               |          |                 |      |            |   |            |   |            |   |                |
|    | Ending balance: # 1562              |         | 0          |   | 0             |          | 0               |      | 0          |   | 0          |   | -40,981    |   | -40,981        |
| 27 |                                     |         |            |   |               |          |                 |      |            |   |            |   |            |   |                |
| 28 |                                     |         |            |   |               |          |                 |      |            |   |            |   |            |   |                |

## Uncollected PILs

50 51

52

56 57

32 NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers. For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.

## 35 Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

- 37 (1) (i) From the Board's Decision see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002. Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. If the Board gave more than one decision in the year, calculate a weighted average proxy.
  - (ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
  - (iii) Column G In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
  - (iv) Column I The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
  - (v) Column K The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
- 38 39 40 41 42 43 44 (vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- 46 (2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation 49 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005
  - (4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
- 55 (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a. cell I181, of the TAXCALC spreadsheet. The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- 58 (6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.
- 60 (7) Carrying charges are calculated on a simple interest basis.
- 62 (8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM. The 2005 PILs tax proxy is being recovered on a volumetric basis by class.
  - (ii) Collections should equal: (a) the actual volumes/ load (kWhs. kWs. Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.
    - In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.
    - In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.
- 63 64 65 66 67 68 69 71 72 74 75 76 77 (9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.