	A	В	С	D	Е	
1	·				Version 20	09.1
2	REGULATORY INFORMATION (REGINFO)					
3	Utility Name: Parry Sound Power Corporation			Colour Code		
<u>4</u> 5	Reporting period: 2002			Input Cell Formula in Cell		
6	Days in reporting period:	365	days	romula in Cen		
7	Total days in the calendar year:	365	days			
8						
9	BACKGROUND					
10 11	Has the utility reviewed section 149(1) ITA to					
12	confirm that it is not subject to regular corporate tax (and therefore subject to PILs)?		Y/N			
IJ			1711			
14 15	Was the utility recently acquired by Hydro One		Y/N			
Ю	and now subject to s.89 & 90 PILs?		T/IN			
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	_		
21	shared among the corporate group? Please identify the % used to allocate the OCT and LCT exemptions in	LCT OCT	Y/N	1000/		
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		_ 100% 100%		
ZS	·	LOI	_			
24	Accounting Year End		Date	12-31-2002		
26	MARR NO TAX CALCULATIONS				Regula	
27	SHEET #7 FINAL RUD MODEL DATA				Incon	1e
28 29	(FROM 1999 FINANCIAL STATEMENTS)					
30	USE BOARD-APPROVED AMOUNTS					-
31	Rate Base (wires-only)			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				540,415		
47	Amount allowed in 2001			180,138	1	180,138
48	Amount allowed in 2002			180,138	1	180,138
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			_		0
50 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					0
53	Care. Searce approved changes to market of more mental revenue					0
54	Total Regulatory Income				3	381,870
55						
56 57	Equity			3,280,834		
58	Return at target ROE			324,146		
59				52.,140		
60	Debt			3,280,834		
61 62	Deemed interest amount in 100% of MARR			237,860		
63	Deemed interest amount in 100% of WARK			237,860		
64	Phase-in of interest - Year 1 (2001)			85,380		
65	((D43+D47)/D41)*D61					
66	Phase-in of interest - Year 2 (2002)			161,620		
67 68	((D43+D47+D48)/D41)*D61 Phase-in of interest - Year 3 (2003) and forward			161,620		
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			101,020		
70	Phase-in of interest - 2005			237,860		
71						
72						

_	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 \$	
13			J	v		J	
14	I) CORPORATE INCOME TAXES						
15							
16	Regulatory Net Income REGINFO E53	1	351,847	-178,938		172,909	
17 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 24	Reserves from financial statements - end of year Regulatory Adjustments - increase in income	4 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 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 36	Items Capitalized for Regulatory Purposes	9		0		0	-
37	Regulatory Adjustments - deduction for tax purposes in Item 5 Interest Expense Deemed/ Incurred	10 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 48	Other Deductions (not "Material") "TAXREC 2"	12		146,705		146,705	
49	Items on which true-up does not apply "TAXREC 3"	1		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 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 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 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 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 76	Base	18	6,561,667	-6,561,667			-
76 77	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	-10,000,000 -16,561,667		0	\vdash
	Taxable Capital		0	10,001,007			
78	Taxable Capital						_
78 79	Taxable Capital Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	0.0000%		0.2250%	
78 79 80	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20					
78 79 80 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 79 80 81 82	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20					
78 79 80 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 79 80 81 82 83 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 79 80 81 82 83 84 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 79 80 81 82 83 84 85 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 79 80 81 82 83 84 85 86 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 79 80 81 82 83 84 85 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 79 80 81 82 83 84 85 86 87 88 89 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 0 0 0 34.12%	0	Actual 2002	0	
78 79 80 81 82 83 84 85 86 87 88 89 90 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 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0		0	
78 79 80 81 82 83 84 85 86 87 88 90 91 92 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 0 0 0 34.12%	0	Actual 2002	0	
78 79 80 81 82 83 84 85 86 87 88 89 90 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 22 22 23 24	0 0 0 0 34.12%	0	Actual 2002	0	
78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94	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 0 0 0 34.12% 169.819 4,685	0	Actual 2002 Actual 2002	0 0 0 0 0 6,553	

	A	В	С	D	Е	F	G	Н
1	0		Initial		M of F	M of F	Tax	
3	PILS DEFERRAL AND VARIANCE ACCOUNTS TAX CALCULATIONS (TAXCALC)		Estimate		Filing Variance	Filing Variance	Returns	
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5 6	0 Utility Name: Parry Sound Power Corporation						Version 2009.1	1
7	Reporting period: 2002							
8	Days in reporting period:	365	days				Column Brought	
10 11	Total days in the calendar year:	365	days				From	
12			\$		\$		TAXREC \$	
13								
98 99	IV) FUTURE TRUE-UPS							
100	IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions: Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106		6			0			
108	In Deductions - positive numbers							
110	Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8 9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204) Tax reserves claimed in current year	11 4			0			
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			
118 119	Other deductions "Material" Item TAXREC 2	12			0			L
120	Total TRUE-UPS before tax effect	26		=	0			
121 122	Income Tax Rate			х	24.55%			L
123 124	Income Tax Effect on True-up adjustments							
125					0			
126 127	Less: Miscellaneous Tax Credits	14			0			<u> </u>
128	Total Income Tax on True-ups				0			
129 130	Income Tax Rate used for gross-up (exclude surtax)				23.43%			<u> </u>
131								
132	TRUE-UP VARIANCE ADJUSTMENT				0			
	IV b) Calculation of the Deferral Account Variance caused by							
134 135	changes in legislation							
	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the							
136 137	initial estimate column)			=	327,891			
138	REVISED CORPORATE INCOME TAX RATE			х	24.55%			
139	REVISED REGULATORY INCOME TAX			=	80,497			
141	Less: Revised Miscellaneous Tax Credits			_	0			
143					0			
144	Total Revised Regulatory Income Tax			=	80,497			
	Less: Regulatory Income Tax reported in the Initial Estimate Column							
146 147	(Cell C58)			-	111,876			<u> </u>
148	Regulatory Income Tax Variance			=	-31,379			
149	Ontario Capital Tax							
151	Base			=	6,561,667			
152 153	Less: Exemption from tab Tax Rates, Table 2, cell C39 Revised deemed taxable capital				5,000,000 1,561,667			\vdash
154								
155 156	Rate			Х	0.3000%			\vdash
157				=	4,685			
158				_	4,685			
159 160				=	0			
161	Federal LCT							
162 163	Base			_	6,561,667 10.000.000			$\vdash \exists$
164				- 11	-3,438,333			
165 166	Rate				0.2250%			<u> </u>
167								
168 169	Gross Amount Less: Federal surtax			-	0			
170				=	0			
171 172	Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
173	Regulatory Federal LCT Variance			=	0			
174 175	Actual Income Tax Rate used for gross-up (exclude surtax)				23.43%			\vdash
176								
177 178				+	-40,981 0			\vdash
179	Ontario Capital Tax			+	0			
180 181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-40,981			L
182 183				+	0			
184	TRUE-UP VARIANCE (from cell I130)				-			
185 186	Total Deferral Account Entry (Positive Entry = Debit) (Deferral Account Variance + True-up Variance)				-40,981			<u> </u>
187	ретена лосоин vanance + тие-ир vanance)							
188								

	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 Corporate	Non-wires Eliminations	Wires-only Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax	Eliminations	Return	
4	O		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 Y/N				
18	(Please complete the questionnaire in the Background questionnaire		hoot \			
19	ti lease complete the questionnaire in the background questionnaire	WOIKS	ileet.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 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	
33	Distribution Revenue Other Income	+	1,184,000 64,686		1,184,000 64,686	
34	Other Income Miscellaneous income	+	04,086		04,686	
35		+			0	
-	Revenue should be entered above this line	L				
37						
38	Costs and Expenses:					
39	Cost of energy purchased	-			0	
40	Administration	-	246,158		246,158	
42	Customer billing and collecting Operations and maintenance	-	234,693 237,060		234,693 237,060	
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	
	Net Income Before Interest & Income Taxes EBIT	=	172,909	0	172,909	
	Less: Interest expense for accounting purposes	-	176,444	0	176,444	
52	Provision for payments in lieu of income taxes	-			0	
53	Net Income (loss)	=	-3,535	0	-3,535	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss)					
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	+	205.047	0	0 325.647	\vdash
	Depreciation & Amortization Employee benefit plans-accrued, not paid	+	325,647	0	325,647	
	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
	Regulatory adjustments on which true-up may apply (see A66)	+			0	
	Items on which true-up does not apply "TAXREC 3"		0	0	0	
	Material addition items from TAXREC 2	+	0	0	0	
68 69	Other addition items (not Material) from TAXREC 2	+	0	0	0	
70	Subtotal		325,647	0	325,647	
71	Gabiotal		020,047	0	020,047	
	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	
	Non-deductible meals and entertainment expense	+			0	
	Capital items expensed DEPRECIATION DIFFERENCE	+			0	
77	DEL REGIATION DIFFERENCE	+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81	T. () A 1.00	-				
82 83	Total Additions	=	325,647	0	325,647	
	Recap Material Additions:					
85	повар матена лишного.		0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91	Total Other additions >materiality level		0	0	0	
	Other additions (less than materiality level)		0	0	0	
	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	0 146.705	
	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	
114 115		-			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	
121 122	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	
127 128			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)				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 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 8,202			
12	Materiality Level:		8,202			
13						
14						
	Section C: Reconciliation of accounting income to taxable income					
16 17	Add:	ļ			0	
	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 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			0	0	0	
52 53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57 58			0	0	0	
59			0	0		
60			0	0	0	
61			0	0	0	
62 63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68 69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0		
73			0	0	0	
74 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 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 Doddollollo		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 10						—
	Reporting period: 2002					
	Number of days in taxation year:		365			
13						
14						
15						
	Section C: Reconciliation of accounting income to taxable income					-
17 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	
	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 47	Total Additions on soldals to so on does not south.	+	0		0	—
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	
	Imputed interest income on Regulatory Assets	-			0	
	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	-
66 67	Transition Costs capitalized for accounting purposes	-	146,705		146,705	-
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						

	۸	В	C	D	_	F	-		1	_	-
1	Α 0	В	С	U	Е	г	G	H			-
2	Corporate Tax Rates				V	ersion 2009.1	1				
3											
4		Power Corp	oration								
5 6	Reporting period: 2002										
7						Table 1					
	Rates Used in 2002 RAM PI	Ls Applicat	ions for 2002	2		rubic i					
9	Income Range		0		200,001						
10	RAM 2002		to		to	>700,000					
11		Year	200,000		700,000						
12	Income Tax Rate Proxy Tax Year	2002									
	Federal (Includes surtax)	2002	13.12%		26.12%	26.12%					
	and Ontario blended		6.00%		6.00%	12.50%					
16	Blended rate		19.12%		34.12%	38.62%					
17											
	Capital Tax Rate		0.300%								
	LCT rate Surtax		0.225%								
∠ U	Ontario Capital Tax	MAX	1.12%								
21		\$5MM	5,000,000								
	Federal Large										
	Corporations Tax	MAX \$10MM	10,000,000								
22		·				0.000					
	**Exemption amounts	must agre	e with the	Board-app	roved 200	2 RAM					
23	PILs filing										
24											
25						Table 2					
26	Expected Income Tax Rates	s for 2002 a	nd Capital Ta	ax Exemption	s for 2002						
	Income Range		0		200,001	Taxable					
28 29	Expected Rates	V	to		to	Income					
	Income Tax Rate	Year	200,000		700,000	\$327,891					
	Current year	2002									
	Federal (Includes surtax)	2002									
33	Ontario	2002									
34		2002			34.12%	24.55%					
35		0000	0.0000/								
	Capital Tax Rate LCT rate	2002 2002	0.300% 0.225%								
	Surtax	2002	1.12%								
	Ontario Capital Tax	MAX									
39	Exemption *** 2002	\$5MM	5,000,000								
	Federal Large	MAX									
40	Corporations Tax	\$10MM	10,000,000								
41		tions mus	t comply y	vith the Ro	ard's inet	ructions					
	regarding regulated ac		a compiy v	rial tile boo	u ə IIIƏli	uotiona					
42	regarding regulated ac	uviues.	I								
43 44											
45											
46											
47											
48											
49											
50 51											
52											
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54											
55											
56											
57 58											
59											
~~			1			1					
60 61	r e										

	A	В	С	D	Е	F	G	Н	I	J	K	L	M	Ν	0
5	0														
6	Analysis of PILs Tax Account	t 1562:													
7	Utility Name: Parry Sound Po	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															
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	+/-													
	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.