

	A	B	C	D	E
1					Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Parry Sound Power Corporation			Colour Code	
4	Reporting period: 2003			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
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%	
23					
24	Accounting Year End		Date	12-31-2003	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			6,561,667	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			562,007	
42					
43	1999 return from RUD Sheet #7			21,594	21,594
44					
45	Total Incremental revenue			540,413	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			180,138	180,138
48	Amount allowed in 2002			180,138	180,138
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				381,870
55					
56	Equity			3,280,834	
57					
58	Return at target ROE			324,146	
59					
60	Debt			3,280,834	
61					
62	Deemed interest amount in 100% of MARR			237,860	
63					
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	((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	Phase-in of interest - 2005			237,860	
71					
72					

	A	B	C	D	E	F
	LINE	M of F	Non-wires	Wires-only		
		Corporate	Eliminations	Tax		
		Tax		Return		
		Return			Version 2009.1	
Section A: Identification:						
Utility Name: Parry Sound Power Corporation						
Reporting period: 2003						
Taxation Year's start date:						
Taxation Year's end date:						
Number of days in taxation year:		365	days			
Please enter the Materiality Level:		8,202	< - enter materiality level			
(0.25% x Rate Base x GER)	Y/N					
(0.25% x Net Assets)	Y/N					
Or other measure (please provide the basis of the amount)	Y/N					
Does the utility carry on non-wires related operation?	Y/N					
Please complete the questionnaire in the Background questionnaire worksheet.						
Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
Section B: Financial statements data:						
Input unconsolidated financial statement data submitted with Tax returns						
The actual categories of the income statements should be used						
If required please change the descriptions except for amortization, interest expense and provision for income tax						
Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts in the "non-wires elimination column" as negative values in TAXREC and TAXREC2						
Income:						
Energy Sales	+				0	
Distribution Revenue	+	1,574,446			1,574,446	
Other Income	+	58,785			58,785	
Miscellaneous income	+				0	
Revenue should be entered above this line						
Costs and Expenses:						
Cost of energy purchased	-				0	
Administration	-	348,453			348,453	
Customer billing and collecting	-	376,330			376,330	
Operations and maintenance	-	213,847			213,847	
Amortization	-	329,475			329,475	
Ontario Capital Tax	-	4,188			4,188	
Employee Future Benefits	-				0	
Restatement adjustment	-				0	
	-				0	
	-				0	
Net Income Before Interest & Income Taxes EBIT	=	362,998		0	362,998	
Less: Interest expense for accounting purposes	-	176,444			176,444	
Provision for payments in lieu of income taxes	-	4,188			4,188	
Net Income (loss)	=	182,366		0	182,366	
The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. 1						
Section C: Reconciliation of accounting income to taxable income						
From T2 Schedule 1						
BOOK TO TAX ADDITIONS:						
Provision for income tax	+	4,188		0	4,188	
Federal large corporation tax	+				0	
Depreciation & Amortization	+	329,475		0	329,475	
Employee benefit plans-accounted, not paid	+				0	
Tax reserves - beginning of year	+	0			0	
Reserves from financial statements- end of year	+	0			0	
Regulatory adjustments on which true-up may apply (see ASE)	+	8,364		0	8,364	
Items on which true-up does not apply "TAXREC 3"						
Material addition items from TAXREC 2	+	0		0	0	
Other addition items (not Material) from TAXREC 2	+	0		0	0	
Subtotal	=	342,027		0	342,027	
Other Additions: (Please explain the nature of the additions)						
Repeatability of CCA	+				0	
Non-deductible meals and entertainment expense	+				0	
Capital items expensed	+				0	
	+	0			0	
	+				0	
	+				0	
	+				0	
Total Other Additions	=	0		0	0	
Total Additions	=	342,027		0	342,027	
Recap Material Additions:						
		0		0	0	
		0		0	0	
		0		0	0	
		0		0	0	
		0		0	0	
		0		0	0	
Total Other additions >materiality level		0		0	0	
Other additions (less than materiality level)		0		0	0	
Total Other Additions	=	0		0	0	
BOOK TO TAX DEDUCTIONS:						
Capital cost allowance	-	274,394			274,394	
Cumulative eligible capital deduction	-	42,231			42,231	
Employee benefit plans-paid amounts	-				0	
Items capitalized for regulatory purposes	-	0			0	
Regulatory adjustments	-				0	
CCA	-				0	
Other deductions	-				0	
Tax reserves - end of year	-	0			0	
Reserves from financial statements- beginning of year	-	0			0	
Contributions to deferred income plans	-				0	
Contributions to pension plans	-				0	
Items on which true-up does not apply "TAXREC 3"		0		0	0	
Interest capitalized for accounting deducted for tax	-	0			0	
Material deduction items from TAXREC 2	-	0		0	0	
Other deduction items (not Material) from TAXREC 2	-	0		0	0	
Subtotal	=	316,625		0	316,625	
Other deductions (Please explain the nature of the deductions)						
	-				0	
Gain on disposal of assets	-				0	
	-				0	
	-				0	
	-				0	
Total Other Deductions	=	0		0	0	
Total Deductions	=	316,625		0	316,625	
Recap Material Deductions:						
		0		0	0	
		0		0	0	
		0		0	0	
		0		0	0	
		0		0	0	
Total Other Deductions exceed materiality level		0		0	0	
Other Deductions less than materiality level		0		0	0	
Total Other Deductions	=	0		0	0	
TAXABLE INCOME	=	207,768		0	207,768	
DEDUCT:						
Non-capital loss applied	-	207,768			207,768	
Net capital loss applied	-				0	
NET TAXABLE INCOME	=	0		0	0	
FROM ACTUAL TAX RETURNS						
Net Federal Income Tax (Must agree with tax return)	+	0			0	
Net Ontario Income Tax (Must agree with tax return) -CMT	+	4,188			4,188	
Subtotal	=	4,188		0	4,188	
Less: Miscellaneous tax credits (Must agree with tax return)	-	0			0	
Total Income Tax	=	4,188		0	4,188	
FROM ACTUAL TAX RETURNS						
Net Federal Income Tax Rate (Must agree with tax return)	#DIV/0!				#DIV/0!	
Net Ontario Income Tax Rate (Must agree with tax return)	#DIV/0!				#DIV/0!	
Blended Income Tax Rate	#DIV/0!				#DIV/0!	
Section F: Income and Capital Taxes						
RECAP						
Total Income Taxes	+	4,188		0	4,188	
Ontario Capital Tax	+	7,223			7,223	
Federal Large Corporations Tax	+	0			0	
Total income and capital taxes	=	11,411		0	11,411	

	A	B	C	D	E	F
1	0	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3	Utility Name: Parry Sound Power Corporation		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Parry Sound Power Corporation					
8	Reporting period: 2003					
9						
10	TAX RESERVES					
11						
12	Beginning of Year:					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	FINANCIAL STATEMENT RESERVES					
39						
40	Beginning of Year:					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Employee Future Benefits				0	
48	Other - Please describe				0	
49					0	
50	Total (carry forward to the TAXREC worksheet)		0	0	0	
51						
52	End of Year:					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Employee Future Benefits				0	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	B	C	D	E	F
1						
2		0	LINE	M of F	Non-wires	Wires-only
3				Corporate	Eliminations	Tax
4				Tax		Return
5				Return		
6					Version 2009.1	
7						
8						
9						
10				365		
11				8,202		
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	A	B	C	D	E	F
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2	0					
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	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	0		Return			
8	Utility Name: Parry Sound Power Corporation				Version 2009.1	
9						
10						
11	Reporting period: 2003					
12	Number of days in taxation year:		365			
13						
14						
15						
16	Section C: Reconciliation of accounting income to taxable income					
17	Add:					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	Donations - amount per books		0		0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40		+			0	
41	Transition costs - recovered	+	8,364		8,364	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Bad debts - pre-October 1, 2001 Denied	+			0	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	8,364	0	8,364	
48						
49	Deduct:					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70	Provincial Capital Tax	-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	0	0	0	
74						
75						

SEE MONTHLY PILS CONTINUITY SCHEDULE

[illegible]