	A	В	С	D	E
1	,		Ŭ		Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Parry Sound Power Corporation			Colour Code	
4	Reporting period: 2004			Input Cell	
5 6	Days in reporting periods	366	days	Formula in Cell	]
7	Days in reporting period: Total days in the calendar year:	366	days		
8	rotal days in the oalendar year.	000	uayo		
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate		3.69.1		
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)		.,		
	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	_	
	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%	
	Accounting Year End		Date	12-31-2004	
20	MARR NO TAX CALCULATIONS				Pogulatory
	SHEET #7 FINAL RUD MODEL DATA				Regulatory Income
	(FROM 1999 FINANCIAL STATEMENTS)				moonic
	USE BOARD-APPROVED AMOUNTS				
30					
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%	
	. ,				
70	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	
	Input: Board-approved dollar amounts phased-in			010,110	
47	Amount allowed in 2001			180,138	180,138
48				180,138	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)  Amount allowed in 2005 - Third tranche of MARR re: CDM			_	0
52	Other Board-approved changes to MARR or incremental revenue			-	0
53	2 miles 2 miles approved and 1900 to 111 miles of interesting to 100 miles				0
54	Total Regulatory Income				381,870
55					
	Equity			3,280,834	
57 58	Return at target ROE			324,146	
59	Notain at larget NOL			324,140	
	Debt			3,280,834	
61					
_	Deemed interest amount in 100% of MARR			237,860	
63	Dhoop in of interest - Voor 1 (2001)			05.000	
65	Phase-in of interest - Year 1 (2001) ((D43+D47)/D41)*D61			85,380	
	Phase-in of interest - Year 2 (2002)			161,620	
67	, ,			101,020	
	Phase-in of interest - Year 3 (2003) and forward			161,620	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
_	Phase-in of interest - 2005			237,860	
71					
72					

Ħ	A A PIL 4 DEFERRAL AND VARIANCE ACCOUNTS	ITEM	C Initial Estimate	D	E M of F Film	F M of F Film	G Tav Returns	н
	PIL 4 REFERRAL AND VARIANCE ACCOUNTS  (Windown) Purchase - one Tah TANRECT		rsimate		Variance K.C	Varianna Penlanation		
5 8	8   Billion Name: Parry Sound Power Corneration   Reporting period: 2004						Version 2009 1	Н
8	Davs in renorting period:	366	Asse				Column Renunkt	
10 11	Total days in the calendar year-	966	ylave e				TAXREC S	
13 14	D CORPORATE INCOME TAYES							П
16 16	Berulstony Not Income BEGINEO E53	-1	351.847		.97.999		314 514	Н
18 19	BOOK TO TAX AD IIISTMENTS Additions:							П
20 21	Demonistion & Americanies Emolosee Repolit Plans - American Not Point Tay reserves - heritarian of year	3	408.012		-70 943 0		337.069	Н
23 24	Resence from financial statements - and of year Regulatory Artistments - increase in income	4	8.064		.8.064		0	П
26 26	Other Additions (See Toh emitted "TAYREC")  "Material" Items from "TAYREC" worksheet Other Additions (on "Material") "TAYREC"				0		0	П
28 29	Other Additions (not "Material" "TAXREC"  "Material Itams from "TAXREC 2" worksheat Other Additions (not "Material" "TAXREC 2"	8			0		0	Н
30 31	Items on which true-un does not apply "TAXREC 3"				3.189		3.189	
33 34	Monthly the Manufacture of the Control of the Contr	7 8	201 110		.97 995 0		263 894 0	
36 38	hams Canitalised for Rossistens Pernosas Rossistens Arisotmants - rieduction for tax runnesss in Item 5. Interest European Depart Interest	10	149.012		0 0 27 621		0 0 170 444	
38 39	Tay reserves a nil manuscriptor of the control of t	4	120 010		0		0	
40 41	Contributions to deferred income plans Contributions to necessary land	3			0		0	
43 44	"Moneral" items from "TAXREC" worksheet	12			0			
45 46	Other Darkerions (not "Massrial" "TAXREC"  Massrial Items from "TAXREC 2" workshear  Other Darkerions (not "Massrial" "TAXREC 2"	12			0		0	
48 49	Items on which true-up does not apply "TAXREC 3"				0		0	
50 51	TAXABLE INCOME/ (LOSS) BLENDED INCOME TAX RATE		327.891		-113.457	Before loss C/F	214.434	
53 54	Tax Rates	13	34.12%		-21.6786%		12.44%	Н
55 56	REGULATORY INCOME TAX		111.876		-88.264	Actual	23.612	П
58 59	Miscellaneous Tax Credits	14			0	Actual	0	Ħ
60 61	Total Regulatory Income Tax		111.876		-83,264	Actual	23,612	Ħ
63 64	B CAPITAL TAXER							Ħ
65 66	Ontarin	16	8 581 887		.78.885		6 482 812	ø
67 68 69	Loss: Evernation Tavahla Canital	16	5,000,000 1,581,687		-1 448 401 -1 527 268		3 551 500 2 031 203	Ħ
70 71	Rote Control Ton	17	0.90004		0.0000%		0.3000%	Ħ
72 73 74	Circario Canital Tav  Federal I ame Commutations Tav		4 885		4 100		8 704	Ħ
75 78	Race Loss: Evernation	18 19	6 581 887 10 000 000		.6 561 667			Ħ
77 78 79	Tavahia Cantal Rata	20	0.2250%		.18 581 687 .0 0250%		0.2000%	Ħ
80 81	Renos Amust of I CT hafine curtar offsat (Tavahla Canital v Rate) Loos: Farland Sustav 1 19%, v Tavahla Innose		0		0		0	Н
82 83	Locs: Ferferal Surfay 1 19% v Tavahle Innome Not I CT	21	0		2 A12		2.402	
85 88	IN INCLUSION IN PATES							
87 88 89	browns Tay Rate isted for noise, in Jowkide custavi		34 194					
90 91	browns Tay (namu tay is renocedura) (CT (namu tay is renocedura)	22 23	160 810			Actual 2004 Actual 2004	23.612 0	
92 93	Ostarin Canital Tay (nn emocum cinne it ic starturtible)	24	4 885			Actual 2004	9 704	
95 96	Total PILs for Rate Adjustment MUST AGREE WITH 2002 RAM DECISION	25	174.504			Actual 2004	32,406	
97 98	AU CUTURE TRUE UPO							
101	IV) FUTURE TRUE-UPS IV at Catedation of the True-up Variance In Additions: Employee Barells Place - Accrued, Not Paid				DR/(CR)			
103	Employee Benefit Plans - Accrued, Not Paid Tax reserves deducted in prior year Reserves from financial statements- and of year	3			0			П
106	Reculatory Administration Seatterners and or year Reculatory Administration Criter additions "Massiral" Items TAXREC Other additions "Massiral" Items TAXREC 2 in Deductions - costinue rounders	5			0			П
108	Other additions "Material" Items TAXREC 2 In Deductions - positive numbers Employee Depot Bloom Post Amounts	6			0			П
110	Employee Benefit Plans - Paid Amounts Barns Capitalised for Resulatory Purposes Resulatory Adjustments Interest Adjustments for tax curcoses (See Below - cell (206)	9			0			
113	Interest Adjustment for tax ourcoses (See Below - cell (206) Tax reserves claimed in current year Reserves from F/S beginning of year	4			0			Н
116	Contributions to deferred income plans Contributions to pension plans	3 3			0			П
118	Other rioritytions "Monerial" Items TAXREC Other rioritytions "Monerial" Item. TAXREC 2	12			0			Н
120 121	Total TRI F-LIPS halone tax affect	26			0			П
123	bronne Tay Rate			-	18.62%			Н
126 126	Loss: Misrellaneous Tay Credits	14			0			Ш
129	Total Income Tay on Trubury				0			Н
130	TRUELIP VARIANCE AD HISTMENT				17 50%			П
133	IV b) Calculation of the Deferral Account Variance caused by				-			Н
134 136	channes in legislation							Н
136 137	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial actimate onlumn)			-	327,891			Ы
139 139 139 140 141 142	REVISED CORPORATE INCOME TAX RATE			×	18 60%			Ħ
140 141 142	REVISED RECLII ATORY INCOME TAX  Loss: Revised Micrallaneous Tax Oxeries				61.053			Ħ
	Total Revised Renderev Innome Tay			-	61.053			Ħ
144 145 147 148 149 150 150 154 156 156	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell CGR)				111.876			
143 148 149	Regulatory Income Tax Variance			Ŀ	-50.823			Ħ
150	Ontario Canital Tax Base Loss Expression from tab Tax Base. Table 2 cell C30			Ξ	6.561.667 5.000.000			П
159 159	Less: Exemption from tab Tax Rates. Table 2. cell C39 Revised deemed taxable capital				1.561.667			Ħ
156 156	Rate - Tab Tax Rates cell C36  Rosisori Ontario Control Tox			×	0.3000%			Ħ
	Revised Ontario Capital Tex Lass: Ortario Capital Tex reported in the initial estimate column (Cell C70)				4.685			d
159 160 184	Romistone Ontario Canital Tay Varianna Farieral I CT				0			Ħ
	Rose Lose: Evernation from tah Tav Rotes: Tahla 2 vali C40 Roulson Ferferal I CT				6.561.667 50.000.000			Н
165 166	Roulson'i Ferland I CT  Rate (as a result of lanislative rhannes) tah 'Tay Rates' relii CSR			Ė	-43.438.333 0.3000%			Ħ
163	Cirros Amount				0 2.402			
170 171	Loss: Forland custor Revised Not LCT				2.402			Ħ
172 173	Less: Federal LCT included in rates Romitation Fortunal I CT Varianne				0			Ħ
175 175 176	Artical Innome Tay Rate used for renscuin (ewhole curtar)				17 50%			Ħ
177 178	Income Tay (renssedum) ICT (renssedum) Openic Coded Tay			+	-61.604 0			Ħ
180 181	Ontario Carital Tay  DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			-	-61.604			Ħ
182 183	TRUFLIP VARIANCE from cell (137)			+	0			E
186 186	Total Deferral Account Entry (Positive Entry = Dehit) (Deferral Account Variance + True-up Variance)				-61.604			Ħ
187 188								
189 190 194	VI INTEREST POSTION OF TRUE-LIP Variance Caused By Phase in of Deemed Date							Ħ
192 193	Total risement interest (REGINED):				237.860 161.620			Ħ
194 195 198					161.620 76.240			Ħ
198	Variance rise to rhase in of date removered of MERR in rates according to the Result's decision							E
200 201	Other Interest Variance (i.e. Rennwinn I availe Above Deemed Robe nor Rate Handbrook) Interest debried on MAF Elin (Fol KYRK41) Total deemed Interest (RECUNEY) DRO)				176.444			Ħ
202 203					237.860			E
205 206	Usrianne naskari hu avnoss richt Istarast Atlastiment for Tay Purnoses (narry forward to Call H19)				0			Ħ
208	Total Interest Variance			Ē	76,240			H
210 211								Ħ
		_						

	Δ	В	С	D	E	F
1	A 0 TAX RETURN RECONCILIATION (TAXREC)	LINE	M of F	Non-wires Eliminations	Wires-only	É
3			Corporate Tax	Eliminations	Tax Return	
5	0		Return		Version 2009.1	
6	Section A: Identification: Utility Name: Parry Sound Power Corporation					
8	Reporting period: 2004 Taxation Year's start date:					
10 11	Taxation Year's end date: Number of days in taxation year:		366	days		
12						
14	Please enter the Materiality Level : (0.25% x Rate Base x CER)	Y/N	8.202	< - enter materiality	/ level	
15 16	(0.25% x Net Assets)  Or other measure (please provide the basis of the amount)	Y/N Y/N				
17	Does the utility carry on non-wires related operation? (Please complete the auestionnaire in the Background auestionnair	Y/N e work				
19 20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
23	Section B: Financial statements data: Input unconsolidated financial statement data submitted with Tax return	IS.				
24 25	The actual categories of the income statements should be used. If required please change the descriptions except for amortization, interes	est expe	ense and provision	for income tax		
26 27	Please enter the non-wire operation's amount as a positive number, the	prograi	n automatically tres	its all amounts		
28 29	in the "non-wires elimination column" as negative values in TAXREC and	TAXE	EC2.			
30 31	Income: Energy Sales	_			0	
32	Distribution Revenue	+	1.520.938		1.520.938	
34	Other Income Miscellaneous income	+	70,678		70,678 0	
36	Revenue should be entered above this line	+			0	
37 38	Costs and Expenses:					
39 40	Cost of energy purchased Administration	-	418,797		0 418 797	
41	Customer billing and collecting		265,457		265,457	
43	Operations and maintenance Amortization	Ė	247.024 337.069		247.024 337.069	
44 45	Ontario Capital Tax Loss on disposal of assets	÷	8,755		8,755 0	
46 47		ĿΞ			0	E
48 49		-			0	
50	Net Income Before Interest & Income Taxes EBIT	=	314.514	0	314.514	
51 52	Less: Interest expense for accounting purposes Provision for payments in lieu of income taxes	Ė	176.444 23.612		176.444 23.612	
53	Net Income (loss) (The Net Income (loss) on the MoF column should equal to the net income	-	114.458	0	114,458	
54 55	(loss) per financial statements on Schedule 1 of the tax return.)					
56 57	Section C: Reconciliation of accounting income to taxable income From T2 Schedule 1					
58	BOOK TO TAX ADDITIONS:					
59 60	Provision for income tax Federal large corporation tax	+	23.612	0	23.612 0	
61 62	Depreciation & Amortization Employee benefit plans-accrued, not paid	+	337.069	0	337.069 0	
63 64	Tax reserves - beginning of year Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66 67	Items on which true-up does not apply "TAXREC 3" Material addition items from TAXREC 2	+	3,189	0	3,189	
68 69	Other addition items (not Material) from TAXREC 2	+	0	0	0	
70 71	Subtotal		363.870	0	363.870	
72 73	Other Additions: (Please explain the nature of the additions)				0	
74	Recapture of CCA Non-deductible meals and entertainment expense	+			0	
75 76	Capital items expensed	+	0		0	
77 78		+			0	
79 80	Total Other Additions	+	0	0	0	
81 82	Total Additions		363.870	0	363.870	
83		_	303.070	U	303.070	
84 85	Recap Material Additions:		0	0	0	
86 87			0	0	0	
88			0	0	0	
90			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93 94	Other additions (less than materiality level) Total Other Additions		0	0	0	
95 96	BOOK TO TAX DEDUCTIONS:					
97 98	Capital cost allowance Cumulative eligible capital deduction	E	224.619 39,275		224.619 39,275	
99 100	Employee benefit plans-paid amounts Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	Ė			0	
103	CCA other deductions	Ė			0	
104 105	Tax reserves - end of year Reserves from financial statements- beginning of year	Ė	0	0	0	
106	Contributions to deferred income plans Contributions to pension plans	E			0	
108	Items on which true-up does not apply "TAXREC 3"		0	0	0	
110	Interest capitalized for accounting deducted for tax Material deduction items from TAXREC 2	Ė	0	0	0	
111 112	Other deduction items (not Material) from TAXREC 2	Ė	0	0	0	
113 114	Subtotal Other deductions (Please explain the nature of the deductions)	Ŀ	263.894	0	263.894	
115 116	Charitable donations - tax basis Gain on disposal of assets	=			0	
117		Ė			0	
119	Total Other Darks "	-			0	
120 121	Total Other Deductions	Ė	0	0	0	
122 123	Total Deductions	L	263.894	0	263.894	
124	Recap Material Deductions:		0	0	0	
126			0	0	0	
127 128			0	0	0	
129 130	Total Other Deductions exceed materiality level		0	0 0	0 0	
131	Other Deductions less than materiality level Total Other Deductions		0	0	0	
133						
135	TAXABLE INCOME DEDUCT:	-	214.434	0	214.434	
136 137	Non-capital loss applied positive number  Net capital loss applied positive number	Ë	76,555		76.555 0	
138	NET TAXABLE INCOME	-	137,879	0	137,879	
140		Ė	.37,079	U	131,079	
142	FROM ACTUAL TAX RETURNS Net Federal Income Tax (Must agree with tax return)	+	18.089		18.089	
143 144	Net Ontario Income Tax (Must agree with tax return) Subtotal	+	5.523 23.612		5.523 23.612	
145 146	Less: Miscellaneous tax credits (Must agree with tax returns) Total Income Tax		23,612	0	23,612	
147	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return) Net Ontario Income Tax Rate (Must agree with tax return)		8.44% 4.01%		8.44% 4.01%	
151	Net Ontano Income Tax Rate IMust agree with tax return) Blended Income Tax Rate		12.44%		12.44%	
153	Section F: Income and Capital Taxes					
154 155	RECAP					
156 157	Total Income Taxes Ontario Capital Tax	+	23,612 8,794	0	23,612 8,794	
158 159	Federal Large Corporations Tax	+	0,754		0,754	
160	Total income and capital taxes	-	32.406	0	32.406	
161						

	A	T	В	С	D	Е	F
1		0	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves	Ť		Corporate	Eliminations	Tax	
3	<b>3</b>			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: 2004						
9							
10	TAX RESERVES						
11							
	Beginning of Year:						
13						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)	4				0	
17	Debt and share issue expenses ss.20(1)(e)	4				0	
	Other - Please describe	+				0	
19 20	Other - Please describe	+				0	
21		+				0	
	Total (carry forward to the TAXREC worksheet)	+		0	0	0	
23	Carry forward to the TAXNEC worksheet)	+		U	U	U	
	End of Year:	+					
25	Life of Teal.	+				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	
	Debt and share issue expenses ss.20(1)(e)					0	
	Other - Please describe	T				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							
	FINANCIAL STATEMENT RESERVES						
39							
	Beginning of Year:					_	
41		+				0	
42		4				0	
	Environmental	+				0	
	Allowance for doubtful accounts	+				0	
	Inventory obsolescence Property taxes	+				0	
	Employee Future Benefits	+				0	
	Other - Please describe	+				0	
49	Outor - Liedae deachine	+				0	
	Total (carry forward to the TAXREC worksheet)	+		0	0	0	
51	Total (carry forward to the TANKEO WORKSHEEL)	+		U	U	U	
	End of Year:	+					
53	End of Tour	+				0	
54		十				0	
	Environmental	十				0	
	Allowance for doubtful accounts	T				0	
	Inventory obsolescence	T				0	
	Property taxes	1				0	
	Employee Future Benefits					0	
	Other - Please describe	╧				0	
61						0	
62	Insert line above this line						
63	Total (carry forward to the TAXREC worksheet)			0	0	0	
64							

No.     No.   No	_						
Section   Company   Comp	1	Α	В	С	D	Е	F
A DETERMINED AND ADMINISTRATION OF THE MEMON   Version 2009.1   Version		0	LINE				
Descriptions with minimal blood for others on TAMBES 3		(for "wires-only" business - see s. 72 OEB Act)			Eliminations		
A Recent and Carlot (2004)  Recented and of days in season varies:		RATEPAYERS ONLY					
Barbotic reported. 2004	7					- 01 31011 Z003. I	
100   Materials   100		Utility Name: Parry Sound Power Corporation Reporting period: 2004					
1.3	10	Number of days in taxation year:					
Section C. Reconsiliation of accounting income to tastella income    Comment   Comment		Materiality Level:		8,202			
1.5 Section C. Reconciliation of association second to Israelian income							
17	15						
1.6   Service response of page the capital argument		Add:	+			0	
20 Charles decembers (Charles I benefits responsers) 1 Tandels certified upware developed 21 Secretific responsers dependiture developed 22 Secretific responsers dependiture developed 23 Secretific responsers dependiture developed 24 Secretific responsers dependiture developed 25 Secretific responsers dependiture developed 26 Secretific responsers developed 26 Secretific responsers developed 27 Secretific responsers developed 28 Secretific responsers developed 29 Secretific responsers developed 29 Secretific responsers developed 20 Secretific responsers developed 20 Secretific responsers developed 20 Secretific responsers developed 21 Secretific responsers developed 21 Secretific responsers developed 29 Secretific responsers developed 20 Secretific responsers developed 20 Secretific responsers developed 20 Secretific responsers developed 21 Secretific responsers developed 21 Secretific responsers developed 22 Secretific responsers developed 23 Secretific responsers developed 24 Secretific responsers developed 25 Secretific responsers developed 26 Secretific responsers developed 26 Secretific responsers developed 27 Secretific responsers developed 28 Secretific responsers developed 29 Secretific responsers developed 20 Secretific responsers developed 20 Secretific responsers developed 20 Secretific responsers developed 21 Secretific responsers developed 20 Secretific responsers developed 21 Secretific responsers developed 21 Secretific responsers developed 22 Secretific responsers developed 23 Secretific responsers developed 24 Secretific responsers developed 25 Secretific responsers developed 25 Secretific responsers developed 25 Secretific responsers developed 26 Secretific responsers developed 26 Secretific responsers developed 27 Secretific responsers developed 28 Secretific responsers developed 28 Sec	18		+			0	
2. Transfer control game and a c			+				
2.5 State State of construction and resolution of buildings   1.	21		+			0	
2.   Amount of the formation of the fo		Scientific research expenditures deducted	+				
28. Sent costs on construction and recovering of hydridge.  29. Financiar Less debutked in Docks.  20. Financiar Less debutked in Docks.  20. Financiar Less debutked in Docks.  21. Financiar Less debutked in Docks.  22. Financiar Less debutked in Docks.  23. Financiar Less debutked in Docks.  24. Less debutked in Docks.  25. Financiar Less debutked in Docks.  26. Less debutked in Docks.  27. Less debutked in Docks.  28. Less debutked in Docks.  29. Less debutked in Docks.  29. Less debutked in Docks.  20. Less debutked in Docks.  20		per financial statements	+				
20   Defect on expenses	26	Soft costs on construction and renovation of buildings	+			0	
22 Financia I lead and a control from place   1   1   1   1   1   1   1   1   1			+				
1	29	Financing fees deducted in books	+			0	
2. Rescuent of SRAED expenditures			+				
3		Recapture of SR&ED expenditures	+			0	
35 Amounts received in respect of qualifying environment flust	34	Write down of capital property	+			0	
1	35	Amounts received in respect of qualifying environment trust	+			0	
1	37	I TOVISION FOR DAIL URDIS	+			0	
10	38		+				
## 1	40		+			0	
### 1		Income - joint ventures / partnerships	+				
Second   Company   Compa	43		+			0	
Total Additions	45		+				
### Additions:	46	Total Additions	=	0	0	0	
S	48	Recap of Material Additions:					
1							
\$5   0   0   0   0   0   0   0   0   0	51			0	0	0	
1						0	
0	54			0	0	0	
Decided   Deci							
0	57			0	0	0	
0							
Committee   Comm							
68							
68							
68	65			0	0	0	
Second   S							
0							
73 73	70			0	0	0	
174							
176	73			0	0	0	
Total Material additions							
73   Total Additions less than materiality level		Total Material additions		0	0	0	
Solution	78	Other additions less than materiality level		0	0	0	
81 Deduct:	79 80	Total Additions		0	0	0	
State   Committee   Committe	81	Deduct:					
24   Terminal loss from Schedule 8   -	83	Dividends not taxable under section 83				0	
Section   Sect	84 85	Terminal loss from Schedule 8	-				_
Second income of joint venture or partnership	86	Scientific research expenses claimed in year from Form T661	Ė			0	
Security in income from subsidiany or affiliates   0   0   0   0   0   0   0   0   0			-				
91 Other income from financial statements -	89	Equity in income from subsidiary or affiliates	-			0	
92 93 94 95 96 97 97 98 98 99 10a   0   0   0   0   0   0   0   0   0	91	Other income from financial statements					
94	92		-				_
\$6. 2003 OCT included in 2004 income tax	94		Ė			0	
98		Other deductions: (Please explain in detail the nature of the item) 2003 OCT included in 2004 income tax	-				
99 Total Deductions	97		-			0	
100   101   102   103   103   104   103   104   105	99	Total Deductions	-	0	0		
102							
104   0   0   0   0   0   0   0   105   105   0   0   0   0   0   0   106   0   0   0   0   0   0   107   0   0   0   0   0   0   108   0   0   0   0   0   0   0   0   110   0	102						
10S							
107	105			0	0	0	
0							
110	108			0	0	0	
112	110					0	
118	111					0	
114	113			0	0	0	
116	114			0	0	0	
118	116			0	0	0	
119 Total Deductions exceed materiality level         0         0         0           120 Other deductions less than materiality level         0         0         0           121 Total Deductions         0         0         0	117 118						
121 Total Deductions 0 0 0	119			0	0	0	
122	121	Other deductions less than materiality level Total Deductions					
	122						

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2	0					
3	Observation and the second to a become an TAYDEO	LINE	M of F	Non-wires	Wires-only	
	Shareholder-only Items should be shown on TAXREC 3	LIINE	Corporate	Eliminations	Tax	
	ITEMS ON WHICH TRUE-UP DOES NOT APPLY			Eliminations		
7	(for "wires-only" business - see s. 72 OEB Act)  0		Tax Return		Return	
	Utility Name: Parry Sound Power Corporation		rtotani		Version 2009.1	
9	·					
10						
	Reporting period: 2004 Number of days in taxation year:		366			
13	Number of days in taxation year:		300			
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	
	Gain on sale of utility eligible capital property	+			0	
	Loss from joint ventures or partnerships  Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
	Depreciation in inventory -end of year	+			0	
	Depreciation and amortization adjustments	+			0	
	Dividends credited to investment account  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 Ontario capital tax adjustments				0	
39	Ontaile capital tax adjustments	+			0	
40	Transition Costs Recovery	+	3,189		3,189	
41		+			0	
42 43		+			0	
44		+			0	
	Non Deductible interest expense	+			0	
46	•	+				
47	Total Additions on which true-up does not apply	=	3,189	0	3,189	
48 49	De deset.					
50	Deduct:					
	CCA adjustments	-			0	
52	CEC adjustments	-			0	
	Depreciation and amortization adjustments	-			0	
	Gain on disposal of assets per financial statements  Financing fee amorization - considered to be interest expense for PILs	-			0	
	Imputed interest income on Regulatory Assets	-			0	
	Donations - amount deductible for tax purposes	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	Provincial Capital Tay	-			0	
61 62	Provincial Capital Tax	-			0	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67 68		-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
	Total Deductions on which true-up does not apply	=	0	0	0	
74 75						
٠, ٠					i .	

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1	0		U			'	Ŭ			
3	Corporate Tax Rates				١	ersion 2009.	.1			
	Utility Name: Parry Sound F	Power Corp	oration							
5	Reporting period: 2004									
7						Table 1				
	Rates Used in 2002 RAM PI	Ls Applicat					ī			
	Income Range RAM 2002		0 to		200,001 to	>700000				
11		Year	200,000		700,000	2700000				
	Income Tax Rate									
13	Proxy Tax Year Federal (Includes surtax)	2002	13.12%		26.12%	26.12%				
15	and Ontario blended		6.00%		6.00%	12.50%				
16	Blended rate		19.12%		34.12%	38.62%				
17										
	Capital Tax Rate LCT rate		0.300% 0.225%							
	Surtax		1.12%							
	Ontario Capital Tax	MAX	5,000,000							
	Exemption **	\$5MM	5,000,000							
	Federal Large Corporations Tax	MAX	10,000,000							
22	Exemption **	\$10MM	10,000,000							
	**Exemption amounts i	must agre	e with the	Board-app	roved 200	2 RAM	•			
	PILs filing	_		•						
23 24										
25						Table 2				
26	<b>Expected Income Tax Rates</b>	s for 2004 a	nd Capital Ta	x Exemption	s for 2004					
	Income Range					Taxable				
28 29	Expected Rates	Year				Income \$327,891				
	Income Tax Rate					<b>40</b> 21,001				
	Current year	2004								
	Federal (Includes surtax) Ontario	2004 2004								
34	Blended rate	2004				20.76%				
35										
36	Capital Tax Rate	2004	0.300%							
	LCT rate Surtax	2004	0.200%							
	Ontario Capital Tax	2004 MAX	1.12%							
39	Exemption *** 2004	\$5MM	5,000,000							
	Federal Large	MAX	F0.000							
40	Corporations Tax Exemption *** 2004	\$50MM	50,000,000							
	***Allocation of exempt	tions mus	t comply v	vith the Box	ard's inst	ructions	ı			
42	regarding regulated ac		· · · · · · · · · ·							
43							]			
44										
45 46										[
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50 51										
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	A	В	С	D	Е	F	G	Н	I	J	K	L	M	Ν	0
1	0														
2	Analysis of PILs Tax Account	1562:													
3	Utility Name: Parry Sound Po	wer C	orporation												Version 2009.1
4	Reporting period: 2004				Sign Conventi	on:	+ for increase;	- fo	r decrease						0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
	Opening balance:	=	0		0		0		0		0		0		0
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)						0		0		. 0		. 0		. 0
	PILs proxy from April 1,														
13	2005 - input 9/12 of amount														0
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)														. 0
	True-up Variance	+/-													
15	Adjustment (3)														0
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)				<u>-</u>										0
	Deferral Account Variance	+/-													
17	Adjustment (5)														. 0
	Adjustments to reported	+/-													
18	prior years' variances (6)														0
19	Carrying charges (7)	+/-													0
	PILs billed to (collected	-													
20	from) customers (8)		0												0
21															
22	Ending balance: # 1562		0		0		0		0		0		0		0
23														•	

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28 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.

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

- (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.
  - (vi) Column M The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.
- (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.
- 43 44 45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. 46 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- 47 (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 49 50 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.
  - (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.
  - (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.
  - (7) Carrying charges are calculated on a simple interest basis.

to calculate the recovery for the period January 1 to March 31, 2005.

- (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, 2001 and 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
- 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.