

	A	B	C	D	E
1					Version 2009.1
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	Utility Name: Parry Sound Power Corporation			Colour Code	
4	Reporting period: 2002			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	<b>BACKGROUND</b>				
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	12-31-2002	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
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	<b>Total Regulatory Income</b>				<b>381,870</b>
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	G	H
1		0	ITEM	Initial	M of F	M of F	Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				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								
14	<b>II) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	351,847		-178,938		172,909	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	<b>Additions:</b>							
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	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	8,064		-8,064		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	291,119		34,004		325,123	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	148,913		27,531		176,444	
38	Tax reserves - end of year	4			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	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
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	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				146,705		146,705	
49								
50	TAXABLE INCOME/ (LOSS)		327,891		-477,607	Before loss C/F	-149,716	
51								
52	BLENDED INCOME TAX RATE							
53	Tax Rates	13	34.12%		0.0000%		34.12%	
54								
55	REGULATORY INCOME TAX		111,876		-111,876	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		111,876		-111,876	Actual	0	
61								
62								
63	<b>III) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	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	Taxable Capital		1,561,667		-1,373,980		2,184,269	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		4,685		1,868		6,553	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	6,561,667		-6,561,667			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		-10,000,000			
77	Taxable Capital		0		-16,561,667		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	0		0			
83								
84	Net LCT		0		0		0	
85								

	A	B	C	D	E	F	G	H
1		0	ITEM		Initial	M of F	M of F	Tax
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				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								
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up		34.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	169,819			Actual 2002	0	
91	LCT (proxy tax is grossed-up)	23				Actual 2002	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	4,685			Actual 2002	6,553	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	174,504			Actual 2002	6,553	
96	RAM DECISION							
97								
98								
99	IV) FUTURE TRUE-UPS							
100	IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions:							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			-8,064			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	-8,064			
121								
122	Income Tax Rate			x	24.55%			
123								
124	Income Tax Effect on True-up adjustments			=	-1,980			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-1,980			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				23.43%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				-2,585			
133								
134	IV b) Calculation of the Deferral Account Variance caused by							
135	changes in legislation							
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							
137	estimate column)			=	327,891			
138	REVISED CORPORATE INCOME TAX RATE			x	24.55%			
139								
140	REVISED REGULATORY INCOME TAX			=	80,497			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	80,497			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column			-	111,876			
147	(Cell C58)							
148	Regulatory Income Tax Variance			=	-31,379			
149								

	A	B	C	D	E	F	G	H
1		0	ITEM	Initial	M of F	M of F	Tax	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		Estimate		Filing	Filing	Returns	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				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								
150	<b>Ontario Capital Tax</b>							
151	Base			=	6,561,667			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	1,561,667			
154								
155	Rate			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	4,685			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	4,685			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	<b>Federal LCT</b>							
162	Base				6,561,667			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	-3,438,333			
165								
166	Rate				0.2250%			
167								
168	Gross Amount				0			
169	Less: Federal surtax			-				
170	Revised Net LCT			=	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%			
176								
177	<b>Income Tax (grossed-up)</b>			+	-40,981			
178	<b>LCT (grossed-up)</b>			+	0			
179	<b>Ontario Capital Tax</b>			+	0			
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>			=	-40,981			
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>			+	-2,585			
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>			=	-43,567			
186	<i>(Deferral Account Variance + True-up Variance)</i>							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)				237,860			
194	Interest phased-in (Cell C36)				161,620			
195								
196	Variance due to phase-in of debt component of MARR in rates				76,240			
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)				176,444			
202	Total deemed interest (REGINFO CELL D61)				237,860			
203								
204	Variance caused by excess debt				0			
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>				0			
207								
208	<b>Total Interest Variance</b>				76,240			
209								
210								
211								

	A	B	C	D	E	F
1		0	LINE	M of F	Non-wires	Wires-only
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		0	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Parry Sound Power Corporation					
8	Reporting period: 2002					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	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)	Y/N				
17	Does the utility carry on non-wires related operation?	Y/N				
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used.					
25	If required please change the descriptions except for amortization, interest expense and provision for income tax					
26						
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
29						
30	<b>Income:</b>					
31	Energy Sales	+				0
32	Distribution Revenue	+	1,184,000			1,184,000
33	Other Income	+	64,686			64,686
34	Miscellaneous income	+				0
35		+				0
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-				0
40	Administration	-	246,158			246,158
41	Customer billing and collecting	-	234,693			234,693
42	Operations and maintenance	-	237,060			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
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	172,909	0		172,909
51	Less: Interest expense for accounting purposes	-	176,444			176,444
52	Provision for payments in lieu of income taxes	-				0
53	<b>Net Income (loss)</b>	=	-3,535	0		-3,535
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	0	0		0
60	Federal large corporation tax	+				0
61	Depreciation & Amortization	+	325,647	0		325,647
62	Employee benefit plans-accrued, not paid	+		0		0
63	Tax reserves - beginning of year	+	0	0		0
64	Reserves from financial statements- end of year	+	0	0		0
65	Regulatory adjustments on which true-up may apply (see A66)	+				0
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0		0
67	Material addition items from TAXREC 2	+	0	0		0
68	Other addition items (not Material) from TAXREC 2	+	0	0		0
69						
70	<b>Subtotal</b>		325,647	0		325,647
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+				0
74	Non-deductible meals and entertainment expense	+				0
75	Capital items expensed	+				0
76	DEPRECIATION DIFFERENCE	+				0
77		+				0
78		+				0
79		+				0
80	<b>Total Other Additions</b>	=	0	0		0
81						
82	<b>Total Additions</b>	=	325,647	0		325,647
83						
84	<b>Recap Material Additions:</b>					
85			0	0		0
86			0	0		0
87			0	0		0
88			0	0		0
89			0	0		0
90			0	0		0
91			0	0		0
92	<b>Total Other additions &gt;materiality level</b>		0	0		0
93	<b>Other additions (less than materiality level)</b>		0	0		0
94	<b>Total Other Additions</b>		0	0		0

	A	B	C	D	E	F
1		0	LINE	M of F	Non-wires	Wires-only
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4		0	Return			
5					Version 2009.1	
95						

	A	B	C	D	E	F
1		0	LINE	M of F	Non-wires	Wires-only
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		0	<b>Return</b>			
5					<b>Version 2009.1</b>	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	279,713		279,713	
98	Cumulative eligible capital deduction	-	45,410		45,410	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	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	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		146,705	0	146,705	
109	Interest capitalized for accounting deducted for tax	-			0	
110	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	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118					0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	471,828	0	471,828	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	-149,716	0	-149,716	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	-149,716	0	-149,716	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	0		0	
143	Net Ontario Income Tax (Must agree with tax return)	+	0		0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0	0	0	
146	Total Income Tax	=	0	0	0	
147						
148	FROM ACTUAL TAX RETURNS					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		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						
153	Section F: Income and Capital Taxes					
154						
155	RECAP					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	6,553		6,553	
158	Federal Large Corporations Tax	+	0		0	
159						
160	Total income and capital taxes	=	6,553	0	6,553	
161						

	A	B	C	D	E	F
1	0	LINE	M of F	Non-wires	Wires-only	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Parry Sound Power Corporation</b>					
8	<b>Reporting period: 2002</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
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	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						



	A	B	C	D	E	F
1						
2		0 LINE	M of F	Non-wires	Wires-only	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				Version 2009.1	
7						
8	Utility Name: Parry Sound Power Corporation					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		8,202			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	

	A	B	C	D	E	F
1						
2		0	LINE	M of F	Non-wires	Wires-only
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations		<b>Tax</b>
4	(for "wires-only" business - see s. 72 OEB Act)		Tax			<b>Return</b>
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	Utility Name: Parry Sound Power Corporation					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		8,202			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-				0
83	Dividends not taxable under section 83	-				0
84	Terminal loss from Schedule 8	-				0
85	Depreciation in inventory, end of prior year	-				0
86	Scientific research expenses claimed in year from Form T661	-				0
87	Bad debts	-				0
88	Book income of joint venture or partnership	-				0
89	Equity in income from subsidiary or affiliates	-				0
90	Contributions to a qualifying environment trust	-				0
91	Other income from financial statements	-				0
92		-				0
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
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
122						

	A	B	C	D	E	F
1						
2		0				
3	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	
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: 2002					
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	
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		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46		+			0	
47	Total Additions on which true-up does not apply	=	0	0	0	
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	Other deductions: (Please explain in detail the nature of the item)	-			0	
65		-			0	
66	Transition Costs capitalized for accounting purposes	-	146,705		146,705	
67		-			0	
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						

[illegible]

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
5		0													
6	Analysis of PILs Tax Account 1562:														
7	Utility Name: Parry Sound Power Corporation														Version 2009.1
8	Reporting period: 2002				Sign Convention: + for increase; - for decrease									0	
9															
10															
11															
12	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
13	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
16	Board-approved PILs tax proxy from Decisions (1)	+/-					0		0		0		0		
17	PILs proxy from April 1, 2005 - input 9/12 of amount														
18	True-up Variance Adjustment Q4, 2001 (2)	+/-													
19	True-up Variance Adjustment (3)	+/-													
20	Deferral Account Variance Adjustment Q4, 2001 (4)														
21	Deferral Account Variance Adjustment (5)	+/-											-40,981		-40,981
22	Adjustments to reported prior years' variances (6)	+/-													0
23	Carrying charges (7)	+/-													0
24	PILs billed to (collected from) customers (8)	-	0												0
25															
26	Ending balance: # 1562		0		0		0		0		0		-40,981		-40,981
27															
28															
29															
30	Uncollected PILs														
31															
32	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
33	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
34															
35	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
36															
37	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
38	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
39	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
40	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
41	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
42	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
43	(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.														
44	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
45															
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														
47	true'd up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
48															
49	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
50	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
51															
52	(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														
53	true'd up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
54															
55	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
56	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
57															
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.														
59															
60	(7) Carrying charges are calculated on a simple interest basis.														
61															
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														
63	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														
64	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
65	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
66															
67	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW's, Kva) for the period (including net unbilled at period end), multiplied														
68	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;														
69	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
70															
71	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
72	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.														
73															
74	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
75	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
76	to calculate the recovery for the period January 1 to March 31, 2005.														
77															
78	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
79	will have to include amounts from 1562 and from 1590.														
80															
81															