

Parry Sound Power Corporation Interest Expense Breakdown

Interest Expense per Financial Statements

2001	no interest expense disclosed on 3 month P&L statement
2002	176,444
2003	176,444
2004	176,444
2005	176,444

Amount reflects long term
debt interest on promissory
note held by shareholder only

Additional Interest Items

1. Net Interest on Regulatory Assets categorized as Regulatory Assets Interest on Financial Statements
See Appendix 15 for more information regarding interest on regulatory assets

	<u>Regulatory Asset Interest Revenue</u>	<u>Regulatory Asset Interest Expense</u>	<u>Regulatory Asset Interest per Financial Statements</u>
2002			
2003			
2004	-2,395	0	-2,395
2005	-19,003	95,039	76,036

2. Miscellaneous Interest Expense items included in Other Administration and General Expense on Financial Statements

	<u>Interest on Deposits</u>	<u>IESO Letter of Guarantee</u>	<u>Other</u>	<u>Total</u>
2002	354	7,836	14	8,204
2003	-946	8,595	1,358	9,007
2004	8,174	7,221		15,395
2005	5,221	3,189	1,972	10,382

Note: Billing system problems prevented interest on customer deposits being calculated for 2002 and 2003
the nominal amounts for 2002 and 2003 reflect actual customer initiated transactions