Ŧ	A 0 PILs DEFERRAL AND VARIANCE ACCOUNTS	ITEM	C Initial Estimate	D	M of F	F M of F Film	Tax Returns	-
3	("Wires-only" business - see Tab TAXREC)		Escinate		Varience K-C	Variance Explanation		Ŀ
6	Utility Name: Parry Sound Power Corporation Reporting period: 205						Version 2009 1	Ė
8		365	dana	Н			Column Brought	F
10 11	Davs in reporting period: Total class in the calendar year	365	dovs	Ш			TAXREC	
13	8 CORPORATE INCOME TAXES			Ε	•			F
16	Regulatory Not Income REGINFO ES3	1	596 638	Ш	-376 935		219 703	Ė
18	BOOK TO TAX ADJUSTMENTS							Ė
20	Additions: Decreciation & Amonization Employee Banafit Plans - Accrued Not Paid	2	408 012	Н	-27 065 0		380 947	F
22	Tax reserves - beginning of year Reserves from financial statements - end of year	4		Ш	0		0	
24 25	Regulatory Adustments - increase in income Other Additions (See Tab entitled "TAXREC") "Material" Items from "TAXREC" worksheet	5			0		0	F
27	Other Additions (not "Material") "TAXREC" "Material Items from "TAXREC 2" worksheet	6		Ш	0		0	
29 30	Other Additions (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3"	- 6		Н	7,168		7,168	L
92	Deductions: Input positive numbers Cardal Cost Alexance and CEC.	7	201 110	*	-90.801		260 318	F
94 96	Employee Penalit Plans - Paid Amounts tems Canitalized for Regulatory Purposes	8	0	Н	0		0	E
37	Remitterer Adjustments - derbusion for tax numeses in Item 5 Interest Evnense Deemark Innumeri Tax resences - and of year	10 11	237.860	Ξ	.297.860		0	Ė
30 40	Resence from financial statements - herinning of year Contributions to deferred income plans	4		Ш	0		0	E
42	Contributions to nemsion plans Interest conitalized for accounting but deducted for tay Other Deductions (See Tab entitled "TAXREC")	11			0		0	F
44	"Moserial" Items from "TAX'REC" worksheet COM Incomental OMSA ner COM nion	12	60,000	Ш	.000.000		0	E
46	Material Items from "TAXREC 2" worksheet Other Derivations (not "Material") "TAXREC 2" Items on which true-up does not apply "TAXREC 3"	12		44	0		0	E
49 50	TAXABLE INCOME/ IL OSS).		415.671	-	-68 171	Before Irea CIF	347 500	F
51 52	BLENDED INCOME TAX RATE			22	581 776 101 113			
53 54	Tah Tay Roses - Revelation from Table 1: Aresal from Table 3  BEGUS ATORY INCOME TAY	13	27 50%		.27 5000% .84 587		0.00%	Ė
56 57			112.00	Н	.00.007	210	200	F
58 59	Microdianarus Tay Cyaritic	14		Ē	0	<u> Artiol</u>	0	Ē
60 61	Total Regulatory Income Tax		114,300	F	-84.587	Actual	29.722	F
63 64	B CAPITAL TAXES			Ε				E
66 67	Ontario Base Loss Evernation Tay Rates - Regulatory Table 1: Armel Table 3	15	6 561 667 Z 500 099	E	.65 328 a1 958 FF7		6 498 339 5 541 449	Ė
68 69	Tayohlo Control		0	Ε	-2 023 885		954 896	E
70 71 72	Rose - Toy Roses - Regulatory - Table 1: Armsol - Table 9  Optorin Cardial Toy	17	0.3000%	H	0.0000%		0.3000%	F
73 74	Oreario Canital Tov  Forbaral Lama Cornovations Tav			Е	2.888		7.885	E
75 78	Race Loss Fyremtion Toy Rates - Remission - Table 1: Artisal Table 9	18	6 561 667 50 000 000	É	-6 561 667 -50 000 000			F
78 79	Tavahle Canital  Bate - Tay Rates - Remillatory - Table 1: Artical Table 3	20	0.1750*	E	.58 581 687 0 000034		0.1750×	E
80 81	Gross Amount of LCT halone curtay officer (Tayahle Canital v Rose)		0	Ē	0		-	E
82 83 84	Loss: Harland Sustav. 1.12% v Tavahle Invome.	21	0	F	1 916		1 916	F
85 88	IN INCLUSION IN RATES							
88	brome Tay Rate used for orose, un (swrkde surter)		27 50%					L
90	Income Tay (name tay is nanosertum) I.CT (name tay is nanosertum)	22	157.668	Н		Actual 2005 Actual 2005	29 722	F
93	Ontario Canital Tay (no neoscum sinna it is darkurtihla)	24	0	Ш		Actual 2005	2.885	Ε
94 95	Total PILs for Rate Adjustment MUST AGREE WITH 2005	25	157.668	Н		Actual 2005	32.587	Ė
97 98	nom ususum			F				F
99 100	IV. EITTURE TRUE-UPS W. a) Calculation of the True-up Variance			Ш	DR/(CR)			
103	in Additions: Employee Benefit Plans - Accrued Not Paid Tax reserves deducted in prior year	3 4			0			F
104	Reserves from financial statements-end of year Regulatory Adjustments	4 5		Ш	0			
100	Other additions "Material" Items TAXREC Other additions "Material" Items TAXREC 2	6			0			Ė
100	In Deductions - positive numbers Employee Benefit Plans - Paid Amounts Items Capitalized for Regulatory Purposes	8 9		Н	0			F
111	Regulatory Adjustments Interest Adjustment for tax purposes: (See Below - cell (206)	10		Н	0			
114	Tax reserves claimed in current year Reserves from F/S beginning of year Contributions to deferred income plans	4 3		Н	0			F
116 117	Contributions to pension plans Other deductions "Material" Items TAXREC	3 12		Н	0			
119	Other deductions "Material" Item TAXREC 2  Total TRUE-UPS before tax effect	12			0			F
121 122	Income Tax Rate			×	21 62%			
	Income Tax Effect on True-up adjustments				0			
124								F
124 126 126 127	Less: Miscellaneous Tax Credits	14			0			
126 126 126 127 128 128	Total Income Tax on True-ups	14			0			
126 126 126 127 128 129 130 130		14			0			
124 126 126 127 128 129 131 131	Total booms Tax on True-size  tooms Tax Rate used for prose-size  TRUE-UP VARIANCE ADJUSTMENT  If b) Calculation of the Deferral Account Variance caused by	14			0 0 20 50%			
124 126 127 128 129 131 132 133	Total booms Tax on Trus-usis  Source Tax Relatives for cross-se.  TRUE-UP VARIANCE ADJUSTMENTY  N IN Calculation of the Deferral Account Variance caused by chances, in lexibilation.	14			20 50%			
124 126 127 128 129 131 131 132 133 134 135	Total Income Tax on Tracums  Income Tax Bas used for cross-so  INDUSTRY PARAMIC ADMINISTRATO  INDUSTRY PARAMIC ADMINISTRATO  IN Dicalculation of the Deferral Account Variance caused by Administration and Administration of the Comment of the Industry  INDUSTRY TAXABLE INCOME (ILCOSES) (as reported in the initial content of the Industriant Contents.	14		9 X	0 0 20 50%			
124 125 126 126 127 128 131 132 133 135 136 136	Total booms Tax on Trus-usis  Source Tax Relatives for cross-se.  TRUE-UP VARIANCE ADJUSTMENTY  N IN Calculation of the Deferral Account Variance caused by chances, in lexibilation.	14		- x	20 50%			
126 127 128 129 129 129 131 131 133 133 133 134 134 134 134 134	Total bostom Tea on Trac-use  NOOTH's Life But used for presence.  NOOTH's Life But used for presence.  Visit Life Life Very Month Control of the Control of the Control of the Deformal Account Variance caused by Advances in Indiabation.  OLD LIGHT VARIABILE INCOME (ILLOSES) gas regorned in the Walls advanced to Life Control of the Con	14		= ×	20 50%			
177	Total Total Title on Touries  Looms Tar Rhis, and for make in.  The Thinds of Walders Constitution  W IS Calculated on the Deferral Account Valence caused by  W IS Calculated on the Deferral Account Valence caused by  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) as separated in the least  STOLLATOR TARGET RECORD (SCOTES) and STOLLATOR TARGET RECOR	14		= × = .	20 50%			
145	Total houses Tan an Trauses  Occess Tan Base and for cross-on-  Discome Tan Base and for cross-on-  Discome Tan Base and for cross-on-  Will Confidence of the Deferral Account Variance caused by Announces Industrials and Confidence on Announces Industrials  REGILLATORY TANGER INCOME (COSSES) (as regional or the visid  REGILLATORY TANGER INCOME TANA ANTI-  REGILLATORY AND ANTI-  SER PROME MISCOMETAN ANTI-  SER PROME MISCOMETAN AND ANTI-  SER PROMETAN ANTI-  SER PROMETAN AND ANTI-  S	14		* ×	20 50%			
145	Total Notice Tax on Tourists  Course Tax Real and for cross on  Course Tax Real and for cross on  Course Tax Real and for cross on  Management of the Course on  Management of the evidence of the Course on  Management of the evidence on  Management of the Course on  Management of the Course on  Management of the Management of the  Management	14		= × = · =	0 0 20 50% 0 415,671 21 60% 80.868			
145	Title Court Title The Court Title Court Ti	14		- x	0 0 0 50 50 50 50 50 50 50 50 50 50 50 5			
145	Total South Tat on Touries  Cooker's Ten Resident or State See  The State See Additional Tension and T	14			0 0 20 50% 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
145	Total Notice Tax on Tourism  Losses Text Bios and for crease on  Losses Text Bios and for crease on  Text Service of the Management of the Management of the Management of the Management of the Deferral Recount Variance caused by  Mill Calculation of the Deferral Recount Variance caused by  Mill Calculation of Management of the Managem	14		- - - x	0 0 20 50% 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
144 145 147 147 147 157 157 158 158 158	Total Notice Tax on Tourists  Course Tax Real and for cross-on  Course Tax Real and for cross-on  Course Tax Real and for cross-on  Total Course Tax Real and for cross-on  Total Course Tax Real and Total Course Tax Real  Total Course Tax Real  Total Course Tax Real  Total Course Tax Real  Total  T	14			0 0 20 50% 0 4 15.671 415.671			
144 145 147 147 147 157 157 158 158 158	Total South Tat on Tourish  Cooker Tar Res, and for crisis on.  The Tourish Cooker Tar Res. and for crisis on.  The Tourish Cooker Tar Res. and for crisis on.  The Tourish Cooker Tar Res. and Tourish Cooker Tar Res. and Tourish Res. and Tourish Res. and Tourish Res. and Tourish Cooker Tar Res. and Tourish Res.	14		- - - x	0 0 20 50% 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
144 145 147 147 147 157 157 158 158 158	Total Notice Tax on Towards  Notice Tax Refine used for create on  The Times of Towards on  Times of  Times of  Times on  Times o	14		× .	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
144 145 147 147 147 157 157 158 158 158	Total Notice Tax on Tourism  Losses Tax Biblio and the creases on  Losses Tax Biblio and the creases on  The Market MANNESS CONSTRUCT  W IS Clinication of the Deterral Recover Variance caused by  All Clinications of the Deterral Recover Variance caused by  All Clinications of the Deterral Recover Variance caused by  All Clinications of the Control of Control Clinication  SECULATION TAXABLE RECOVER (2005) 05 reported in the National Control  SECULATION TAXABLE RECOVER (2005) 05 reported in the National Control  SECULATION TAXABLE RECOVER (2005) 05 reported in the National Control  Losses Registery Notice Tax Registery Notice Registery	14		× .	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
144 145 147 147 147 157 157 158 158 158	The Bottom Tax on Tourism  The Bottom Tax on Tou	14		* * * * * * * * * * * * * * * * * * *	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
144 145 147 147 147 157 157 158 158 158	Total Notice Tax on Tourism  Losses Tax Biblio and the creases on  Losses Tax Biblio and the creases on  The Market MANNESS CONSTRUCT  W IS Clinication of the Deterral Recover Variance caused by  All Clinications of the Deterral Recover Variance caused by  All Clinications of the Deterral Recover Variance caused by  All Clinications of the Control of Control Clinication  SECULATION TAXABLE RECOVER (2005) 05 reported in the National Control  SECULATION TAXABLE RECOVER (2005) 05 reported in the National Control  SECULATION TAXABLE RECOVER (2005) 05 reported in the National Control  Losses Registery Notice Tax Registery Notice Registery	14		* * * * * * * * * * * * * * * * * * *	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
144 145 147 147 147 157 157 158 158 158	Total Notice Tax on Touries  Notice Tax Residence of the Content Annual Content Tax Residence of the Co	14		1 1 X 1 1 1 1 1 1 1 1 1 1 1 1	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
144 145 147 147 147 157 157 158 158 158	The BOTOM Tax on Tourism Tourism To	14		* * * * * * * * * * * * * * * * * * *	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
144 145 147 147 147 157 157 158 158 158	Total Notice Tata on Tourism  Tourism is the best and for instead.  The Tourism is the best and for instead.  The Tourism is the tourism in the Tourism in the State of	14		1 1 X 1 1 1 1 1 1 1 1 1 1 1 1	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
144 145 147 147 147 157 157 158 158 158	Total Notice Tax on Tourism  Notice See This was the consulta  Third Let YARDACE (ADASTMENT  Y My Calculation of the Ordered Account Variance caused by Notice See Third Let YARDACE (ADASTMENT)  Y My Calculation of the Ordered Account Variance caused by Notice See Third Let YARDACE (ADASTMENT)  WINDLE CONTROL TRANSPER (ADASTMENT)  WINDLE CONTR	14		11 - 11 × 11 - 11 - 11 - 11 - 11	0 0 10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
144 145 147 147 147 157 157 158 158 158	Total Notice Tax on Towards  Notice Tax Relia used for creates on  The Tax of Towards  Towar	14		1 · 1 × 1 · 1 · 1 · 1 · 1 · 1 · 1				
144 145 147 147 147 157 157 158 158 158	Total Notice Tata on Tourism  Total Notice Tata on Tourism  The Read and Income Tata on Tourism  The Care Advanced Control of the Deferral Account Variance caused by Very Care Care Care Care Care Care Care Care			1 · 1 × 1 · 1 · 1 · 1 · 1 · 1 · 1 · 1	0.000			
144 144 146 146 146 146 146 146 146 146	Total Notice Tax on Towards  Notice Tax Relia used for creates on  The Tax of Towards  Towar	14						
	Total Notice Tax on Tourism  Notice Tax Residence of the Control Account Valence caused by American Control Account Valence Control Account Valence Control Va	14		1 · 1 × 1 · 1 · 1 · 1 · 1 · 1 · 1 · 1	0.000			
	TORK TORK TEACH TORK TORK TORK TORK TORK TORK TORK TORK	14		1 · 1 × 1 · 1 · 1 · 1 · 1 · 1 · 1 · 1	0.000			
	Total NOTION Tax on Tourses.  NOTION Tax Residence of the Control Account of Tourses.  NOTION Tax Residence of the Control Account of Years on Control Account of Years of Tourses.  NOTION TAX OF TOURSES.  NOTION TOU	14		1 · 1 × 1 · 1 · 1 · 1 · 1 · 1 · 1 · 1				
	Total NOTION Tax on Tourism.  NOTION Tax Residence of the Control Account Valence caused by Total Carlo Valence (Advisitation)  Y M Calculation of the Ordered Account Valence caused by M Calculation of the Ordered Account Valence caused by M Calculation of the Ordered Account Valence caused by M Calculation of the Ordered Account Valence (Advisitation of the Ordered Account Valence Caused by M Calculation of the Ordered Account Valence (Advisitation of the Ordered Ac	14		1 · 1 × 1 · 1 · 1 · 1 · 1 · 1 · 1 · 1	0.000			
	Total Notice Tata on Tourism	14		1 · 1 × 1 · 1 · 1 · 1 · 1 · 1 · 1 · 1	415.671 475.691 415.67			
	The STORM Tax on Tourism  Course in First and Tourism  The Course in First and	14		1 · 1 × 1 · 1 · 1 · 1 · 1 · 1 · 1 · 1	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
	Total NOTION Tax on Tourisms  TOURN See This was the research  TOURN SEE THIS WAS ARRESTED TO THE SEE	14		1 · 1 × 1 · 1 · 1 · 1 · 1 · 1 · 1 · 1	1415,071 075 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
	The STORM Tax on Tourism  The Storm Tourism  Th	114		1 · 1 × 1 · 1 · 1 · 1 · 1 · 1 · 1 · 1	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
144 144 146 146 146 146 146 146 146 146	Total NOTION Tax on Tourisms  TOURN See This was the research  TOURN SEE THIS WAS ARRESTED TO THE SEE	14		1 · 1 × 1 · 1 · 1 · 1 · 1 · 1 · 1 · 1	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
	The SHORM Tax on Toxuson  SHORM See This seed for creates.  THE SHORM SEE AND SEED SEED SEED SEED SEED SEED SEED SE	14		1 · 1 × 1 · 1 · 1 · 1 · 1 · 1 · 1 · 1	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			

	A	В	С	l D	Е
1	^				Version 2009.1
	REGULATORY INFORMATION (REGINFO)				70101011 200011
	Utility Name: Parry Sound Power Corporation			Colour Code	
4	Reporting period: 2005			Input Cell	
5				Formula in Cell	
	Days in reporting period:	365	days		
	Total days in the calendar year:	365	days		
8					
	BACKGROUND				
	Has the utility reviewed section 149(1) ITA to				
11 12	confirm that it is not subject to regular corporate tax (and therefore subject to PILs)?		Y/N		
10	tax (and therefore subject to FILS)!		T/IN		
	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		
	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			D-4-		
<u>24</u>	Accounting Year End		Date	12-31-2005	
26	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				
	USE BOARD-APPROVED AMOUNTS				
30	Deta Bess (vines sub.)			0.504.007	
31	Rate Base (wires-only)			6,561,667	
33	Common Equity Ratio (CER)			50.00%	
35	1-CER			50.00%	
0					
0	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
77					21,594
45				540,413	
	Input: Board-approved dollar amounts phased-in			400 400	100 100
47 48	Amount allowed in 2001			180,138	
49	Amount allowed in 2002  Amount allowed in 2003 and 2004 (will be zero due to Bill 210			180,138	180,138 0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			180138	180,138
52	Other Board-approved changes to MARR or incremental revenue			34630	,
53					0
54	Total Regulatory Income				596,638
55					
	Equity			3,280,834	
57	D				
	Return at target ROE			324,146	
59 60	Debt			3,280,834	
61	Deni			3,200,034	
_	Deemed interest amount in 100% of MARR			237,860	
63				201,000	
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				
	Phase-in of interest - Year 3 (2003) and forward			161,620	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			607.000	
	Phase-in of interest - 2005			237,860	
71 72					
12				1	

F	Α	B	C M of F	D Non-wires	E Wires-only	F	G
2	TAX RETURN RECONCILIATION (TAXREC)	LINE	Corporate	Eliminations	Tax		
4	0		Tax Return		Return		
5	Section A: Identification:				Version 2009.1		
7 8	Utility Name: Parry Sound Power Corporation Reporting period: 2005						
9 10	Taxation Year's start date: Taxation Year's end date:						
11	Number of days in taxation year:		365	days			
13	Please enter the Materiality Level :		8,202	< - enter materiality	/ level		
14 15	(0.25% x Rate Base x CER) (0.25% x Net Assets)	Y/N 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 19	(Please complete the questionnaire in the Background questionnair	e work	sheet.)				
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
21 22	Section B: Financial statements data:						
23	Input unconsolidated financial statement data submitted with Tax return.  The actual categories of the income statements should be used.						
25	If required please change the descriptions except for amortization, interes		ense and provision	for income tax			
27 28	Please enter the non-wire operation's amount as a positive number, the in the "non-wires elimination column" as negative values in TAXREC and	prograi	m automatically trea	ats all amounts			
29 30		, ,,,,,,,					
31	Income: Energy Sales	+			0		
33	Distribution Revenue Other Income	+	1.597.494 23.020		1.597.494 23.020		
34 35	Miscellaneous income	+			0		
36 37	Revenue should be entered above this line						
38	Costs and Expenses:						
39 40	Cost of energy purchased Administration		379.524		379,524		
41	Customer billing and collecting Operations and maintenance	-	312,457 317,792		312.457 317,792		
43	Amortization Ontario Capital Tax	-	380,947 2.923		380,947 2.923		
45 46	Capitalized Rounding adjustment re: depreciation	-	2.023		0		
47	Rounding adjustment re: depreciation Other	Ė	7.168		7.168		
48 49		Ė			0		
50 51	Net Income Before Interest & Income Taxes EBIT Less: Interest expense for accounting purposes	E	219.703 176.444	0	219.703	ĿΞ	
52 53	Provision for payments in lieu of income taxes	-	29.722 13.537	0	219.703		
54	Net Income (loss) (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.)		13.53/	0	219.703		
55 56							
57	Section C: Reconciliation of accounting income to taxable income From T2 Schedule 1						
58 59	BOOK TO TAX ADDITIONS: Provision for income tax	+	29.722	0	29.722		
60 61	Federal large corporation tax Depreciation & Amortization	+	0 380.947	0	0 380,947		
62 63	Employee benefit plans-accrued, not paid Tax reserves - beginning of year	+	0	0	0		
64 65	Reserves from financial statements- end of year	+	0	0	0		
66	Regulatory adjustments on which true-up may apply (see A66)  Items on which true-up does not apply "TAXREC 3"	+	7,168	0	7,168		
67 68	Material addition items from TAXREC 2 Other addition items (not Material) from TAXREC 2	+	0	0	0		
69 70	Subtotal		417.837	0	417.837		
71 72			411.00	·	417.007		
73 74	Other Additions: (Please explain the nature of the additions) Recapture of CCA	+			0		
75	Non-deductible meals and entertainment excense Capital items excensed	+			0		
76 77		+	0		0		
78 79		+			0		
80 81	Total Other Additions	=	0	0	0		
82	Total Additions	-	417.837	0	417.837		
83 84	Recap Material Additions:						
85 86			0	0	0		
87 88			0	0	0		
89 90			0	0	0		
91 92	Total Other additions >materiality level		0	0	0		
93 94	Other additions (less than materiality level)		0	0	0		
95	Total Other Additions		0	0	0		
96 97	BOOK TO TAX DEDUCTIONS: Capital cost allowance	-	223,792		223,792		
98 99	Cumulative eligible capital deduction Employee benefit plans-paid amounts	-	36.526		36.526		
100	Items capitalized for regulatory purposes Regulatory adjustments:	-			0		
102	Requisitor adjustments : CCA other deductions				0		
104	Tax reserves - end of year  Page page from the page of year		0	0	0		
106	Contributions to deferred income plans	Ė	0	0	0		
107	Contributions to pension plans Items on which true-up does not apply "TAXREC 3"	Ŀ	0	0	0		
109	Interest capitalized for accounting deducted for tax  Material deduction items from TAXREC 2	=	0	0	0		
111 112 113	Other deduction items (not Material) from TAXREC 2	-	0	0	0		
113	Subtotal Other deductions (Please explain the nature of the deductions)	-	260,318	0	260,318		
114 115 116	Charitable donations - tax basis	-			0		
116 117 118	Gain on disposal of assets	÷			0		
119					0		
120 121	Total Other Deductions	-	0	0	0		
122	Total Deductions	-	260,318	0	260,318		
124	Recap Material Deductions:						
125			0	0	0		
127 128			0	0	0		
129 130	Total Other Deductions exceed materiality level		0	0	0		
131 132	Other Deductions less than materiality level Total Other Deductions		0	0	0		
133	TAXABLE INCOME	_	171.056	0	377.222		
135	DEDUCT:	-	1/1.056	0			
136 137	Non-capital loss applied positive number  Net capital loss applied positive number				0		
138	NET TAXABLE INCOME		171.056	0	0 377,222		
140 141	FROM ACTUAL TAX RETURNS						
142	Net Federal Income Tax (Must agree with tax return) Net Ontario Income Tax (Must agree with tax return)	+	22.442	0	22.442		
144	Subtotal	=	7.280 29.722	0	7.280 29.722		
145 146	Less: Miscellaneous tax credits (Must agree with tax returns) Total Income Tax		29.722	0	0 29.722		
147 148	FROM ACTUAL TAX RETURNS						
149 150	Net Federal Income Tax Rate (Must agree with tax return) Net Ontario Income Tax Rate (Must agree with tax return)		13.12% 4.26%		13.12% 4.26%		Divide federal income tax by the taxable Divide Ontario income tax by the taxable
151 152	Blended Income Tax Rate		17.38%		17.38%		Critano income tax by the (8080le
153	Section F: Income and Capital Taxes						
154 155	RECAP						
156 157	Total Income Taxes Ontario Capital Tax	+	29.722 2,865	0	29.722 2,865		
158 159	Federal Large Corporations Tax	+	0		0		
	Total language and control towns	-	32.587	0	32.587		
160 161	Total income and capital taxes						

	A	В	С	D	Е	F
1	0	LINE	M of F	Non-wires	Wires-only	
2	Tax and Accounting Reserves		Corporate	Eliminations	Tax	
3			Tax		Return	
5	(for "wires-only" business - see s. 72 OEB Act)		Return		Varaian 2000 4	
6	0				Version 2009.1	
7	Utility Name: Parry Sound Power Corporation					
8	Reporting period: 2005					
9	Troporting portou. 2000					
10	TAX RESERVES					
11						
	Beginning of Year:					
13					0	
	Reserve for doubtful accounts ss. 20(1)(l)				0	
	Reserve for goods & services ss.20(1)(m)				0	
	Reserve for unpaid amounts ss.20(1)(n) Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
	Other - Please describe				0	
20					0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23						
	End of Year:					
25	December for deviated accounts as 200(4)(I)		0		0	
	Reserve for doubtful accounts ss. 20(1)(I) Reserve for goods & services ss.20(1)(m)		0		0	
	Reserve for unpaid amounts ss.20(1)(iii)				0	
	Debt and share issue expenses ss.20(1)(e)				0	
	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
	Insert line above this line					
	Total (carry forward to the TAXREC worksheet)		0	0	0	
36						
37	FINANCIAL STATEMENT RESERVES					
39	FINANCIAL STATEMENT RESERVES					
	Beginning of Year:					
41					0	
42					0	
	Environmental				0	
_	Allowance for doubtful accounts		0		0	
	Inventory obsolescence				0	
	Property taxes				0	
	Employee Future Benefits Other - Please describe				0	
48	Outer - Flease describe				0	
_	Total (carry forward to the TAXREC worksheet)		0	0	0	
51	. Can joinala to the 17011LO worksheet)		J		0	
	End of Year:				0	
53					0	
54					0	•
	Environmental				0	
	Allowance for doubtful accounts		0		0	
	Inventory obsolescence				0	
	Property taxes Employee Future Benefits				0	
	Other - Please describe				0	
61	Outor - Liease describe				0	
	Insert line above this line				U	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
64						

	A	В	С	D	Е	F
1						
3		LINE	M of F Corporate	Non-wires Eliminations	Wires-only Tax	
	for "wires-only" business - see s. 72 OEB Act)		Tax Return		Return	
	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
8 L	Itility Name: Parry Sound Power Corporation					
10 N	Reporting period: 2005 lumber of days in taxation year:		365			
	lateriality Level:		8,202			
13						
14 15 S	Section C: Reconciliation of accounting income to taxable income					
	Add:	+			0	
18 G	Gain on sale of eligible capital property	+			0	
20 C	coss on disposal of assets Charitable donations (Only if it benefits ratepayers)	+			0	
21 T	axable capital gains	+			0	
	Scientific research expenditures deducted	+			0	
25 C	per financial statements Capitalized interest	+			0	
	Soft costs on construction and renovation of buildings Capital items expensed	+			0	
	Debt issue expense Financing fees deducted in books	+			0	
30 G	Gain on settlement of debt	+			0	
31 lr 32 F	nterest paid on income debentures Recapture of SR&ED expenditures	+			0	
33 S	Share issue expense Vrite down of capital property	+ +			0	_
35 A	Amounts received in respect of qualifying environment trust	+			0	
37	Provision for bad debts	+			0	
38 39		+			0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
42 C	Ontario Specified Tax Credits	+			0	
44	DITC/BCITC from prior year	+			0	
45 46	Total Additions	+	0	0	0	
47	Recap of Material Additions:					
49	recap or waterial Adultions.		0	0	0	
50 51			0	0	0	
52			0	0	0	
54 55			0	0	0	
56			0	0	0	
57 58			0	0	0	
59 60			0	0	0	
61			0	0	0	
62 63			0	0	0	
64 65			0	0	0	
66 67			0	0	0	
68			0	0	0	
69 70			0	0	0	
71 72			0	0	0	
73 74			0	0	0	
75			0	0	0	
76 77 T	otal Material additions		0	0	0	
78 C	Other additions less than materiality level otal Additions		0	0	0	
80			U	U	U	
82 (	Deduct: Gain on disposal of assets per f/s	-			0	
83 E	Dividends not taxable under section 83 Ferminal loss from Schedule 8				0	-
85 E	Depreciation in inventory, end of prior year Scientific research expenses claimed in year from Form T661	-			0	
87 E	Bad debts				0	
89 E	Book income of joint venture or partnership quity in income from subsidiary or affiliates	-			0	
90 C	Contributions to a qualifying environment trust Other income from financial statements	-			0	$\exists$
92 93		-			0	
94		Ė			0	
96 N	Other deductions: (Please explain in detail the nature of the item) Ion-taxable load transfers	-	0		0	
97 98		-			0	-
	otal Deductions	=	0	0	0	
101 F	Recap of Material Deductions:					
102			0	0	0	
104			0	0	0	-1
106			0	0	0	
108			0	0	0	
109 110 111			0	0	0	
111 112			0	0	0	
113			0	0	0	
114			0	0	0	
116 117			0	0	0	
118	otal Deductions exceed materiality level		0	0	0	
120 C	Other deductions less than materiality level		0	0	0	
121 T 122	otal Deductions		0	0	0	

	Α	ь	•		Е	_
4	A	В	С	D	E	F
1						
2	0					
3			N4 (F	N	NAP	
	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: 2005					
	Number of days in taxation year:		365			
13	,					
14						
15						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
18	7100.					
	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
	CEC adjustments				0	
	Gain on sale of non-utility eligible capital property	+			0	
	Gain on sale of non-utility eligible capital property  Gain on sale of utility eligible capital property	+			0	
-	, , , , ,	+				
	Loss from joint ventures or partnerships	+			0	
	Deemed dividend income	+			0	
	Loss in equity of subsidiaries and affiliates	+			0	
	Loss on disposal of utility assets	+			0	
	Loss on disposal of non-utility assets	+			0	
	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	
	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	
	Ontario capital tax adjustments				0	
39	Ontano dapitar tax adjustments	+			0	
40		+			0	
	Transition Cost writedown	+	7,168		7,168	
42	Transition Cost writedown		7,100		7,100	
43		+			0	
_		+				
44 45		+			0	
		+			0	
46		+	= 400		= 400	
47	Total Additions on which true-up does not apply	=	7,168		7,168	
48						
	Deduct:					
50						
51	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	
57	Donations - amount deductible for tax purposes	-			0	
	Income from joint ventures or partnerships	-			0	
59	·	-			0	
60		-			0	
	Provincial Capital Taxes	-			0	
62		_			0	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68		-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	Total Deductions on which true-up does not apply	=	0	0	0	
74						
75						
_						

	A	В	С	D	E	F	G	Н	ı	J
1	0									
3	Corporate Tax Rates				V	ersion 2009.1	l			
-	Utility Name: Parry Sound F	Power Corp	oration							
	Reporting period: 2005									
7						Table 1				
	Rates Used in 2005 RAM PI	Ls Applicat	ions for 2005			Table I				
9	Income Range		0		400,001					
10	RAM 2005	Year	to 400,000		to 1,128,000	>1,128,000				
	Income Tax Rate	Tear	400,000		1,120,000					
13	Proxy Tax Year	2005								
	Federal (Includes surtax)		13.12%		17.75%	22.12%				
15 16	and Ontario blended Blended rate		5.50% 18.62%		9.75% 27.50%	14.00% 36.12%				
17	Diended rate		10.0270		27.5070	30.1270				
18	Capital Tax Rate		0.300%							
	LCT rate		0.175%							
20	Surtax Ontario Capital Tax	MAX	1.12%							
21	Exemption **	\$7.5MM	7,500,000							
	Federal Large	MAX	<b>F</b> 0.633.33							
22	Corporations Tax Exemption **	\$50MM	50,000,000							
	**Exemption amounts	must agre	e with the	Board-ann	roved 200	5 RAM				
	PILs filing			upp						
23	- <b>-</b>									
24 25						Table 2				
26	Expected Income Tax Rates	s for 2005 a	nd Capital Ta	x Exemption	s for 2005	I GOIO E				
27	Income Range					Taxable				
28 29	Expected Rates	Year				Income \$415,670				
	Income Tax Rate	i Gai				Ţ.10,010				
31	Current year	2005								
	Federal (Includes surtax)	2005								
33	Ontario Blended rate	2005 2005	0.00%	0.00%	0.00%	21.62%				
35			5.0070	3.0070	0.0070	20270				
	Capital Tax Rate	2005	0.300%							
	LCT rate Surtax	2005 2005	0.175% 1.12%							
	Ontario Capital Tax	MAX								
39	Exemption *** 2005	\$7.5MM	7,500,000							
	Federal Large	MAX	E0 000 000							
40	Corporations Tax Exemption *** 2005	\$50MM	50,000,000							
	***Allocation of exempt	tions mus	t comply w	ith the Bo	ard's instr	uctions				
	regarding regulated ac		10.0			- <del>-</del>				
43										
44										
45 46										
47								<del>.</del>		
48								· ·		
49 50								•		
51										
52								•		
53 54								-		
55					+			-		
56										
57								-		
58 59								-		
								-		
60					1					
61										

	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	<b>Utility Name: Parry Sound Po</b>	wer C	orporation												Version 2009.1
4	Reporting period: 2005				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															
11	Opening balance:	=													
	Board-approved PILs tax	+/-													
12	proxy from Decisions (1)														
	PILs proxy from April 1,														
13	2005 - input 9/12 of amount														
	True-up Variance	+/-													
14	Adjustment Q4, 2001 (2)		<u>.</u>												
	True-up Variance	+/-													
15	Adjustment (3)		<u>.</u>												
	Deferral Account Variance														
16	Adjustment Q4, 2001 (4)														
	Deferral Account Variance	+/-													
17	Adjustment (5)														
	Adjustments to reported	+/-													
18	prior years' variances (6)														
19	Carrying charges (7)	+/-													
	PILs billed to (collected	-													
20	from) customers (8)														
21															
	Ending balance: # 1562		0		0		0		0		0		0		0
23			·		•			-	·	-		•			

## **Uncollected PILs**

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34 35

36 37

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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. 30

## Please identify if Method 1, 2 or 3 was used to acc ##

- (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.
- (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, ur ##

trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.

- 51 (5) From the Ministry of Finance Variance Column, ur ## 581776 The true-up will compare to the 2002 proxy for 2 ## 101113
  - (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.
  - (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.
  - (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.