March Marc	_				_				_
March Marc	į	A PILS DEFERRAL AND VARIANCE ACCOUNTS	ITEM	C Initial Essimon	۵			Tax Returns	н
March Marc	3	Utility Name: Parry Sound Power Corporation		Lacmitte	E	Variance	Variance		E
March Marc	5 6 7	Dility Name: Parry Sound Power Corporation Reporting period: 2003			Н			Version 2009 1	
March Marc	8	Days in reporting period:	365		Ш			Column Brought	
Company Comp	10 11	[otal days in the calendar year:	365	dava	Н			TAXREC	
March Marc	13 14	CORPORATE INCOME TAYES							
Add	16 16	Rendstrev Not Income. RECINEO ESS	-1	351.847	Н	11 151		362 998	
Manuscan State Control	19	Arbitisms:			Ш				
Management Man	21 22	Frenkrise Renalit Plans - Arrivant Net Paint Tax reserves - harring of year	3 4	408 012	Н	.78.537 0		329.475 0	Н
A March Continue Co	24	Rendstrey Arkistments , increase in income	5	8.084	Н	.8 084		0	
A Britan on which there and most one with TAMES T. A Britan of State of St	26	"Mossocial" Issues from "TAVREC" workshoot	8		Н	0		0	Н
Application of the content of the	28 29	"Motorial Itams from "TAXREC 2" worksheat Other Arbitions (not "Material") "TAXREC 2"	8		Н	0		0	
A. C. A. C	31 32	Deductions: Input positive numbers			Н	8,304		0,304	Н
A. C. A. C	33 34	Capital Cost Allowance and CEC Employee Benefit Plans - Paid Amounts	7 8	291 119		25 506 0		316 625 0	
A. C. A. C	36 37	serial Cartisadado nos resoluciones Proposas. Accudator Adustmento - deduction for tax purposes in Item 5 Interest Expense Deemed/ Incurred	10	148 913		0 27 531		0 176 444	
A. C. A. C	38 39	Tax reserves - end of year Reserves from financial statements - beginning of year Contributions to deformed income others	4		Н	0		0	
A. C. A. C	41 42	Contributions to centrion plans Interest capitalized for accounting but deducted for tax	3			0		0	
A. C. A. C	43 44 45	Other Deductions (See Tab entitled "TAXREC") "Majorial" Items from "TAXREC" worksheet Other Deductions (not "Majorial") "TAXREC"	12		Ε	0		0	
A. C. A. C	46 47	Material Items from "TAXREC 2" worksheet Other Deductions (not "Material") "TAXREC 2"	12 12		Н	0		0	
March Marc	49 50	tems on which true-up does not apply "I AAREC 3" TAXABLE INCOME/ (LOSS)		327 891	Н	-120 123		207 768	Н
Telephone	51 52	BLENDED INCOME TAX RATE	40	04.400		aPin situ		aPril 1994	
March Marc	54 55		13			-107 688	Actual	4 188	
The Control of Contr	56 57 59		.,		Ė				Ē
R. CASTER, LOSSIES	59 60			111.878	E	.107.688	Actual	4 188	Ε
Control	61 62 63				Ė				Ė
April	65				E			6 368 344	E
The content of the	67 68	sess: Exemption -Tex Rates - Regulatory Table 1: Actual Table 3 Taxable Capital	15 16	5 000 000	E	-1 039 405		6 368 344 3 960 595 2 407 749	E
The content of the	69 70 71		17		E		_	0 3000%	E
The content of the	72 73			4 685	Е	2 538		7 223	E
The color of the	/4 /5 /6	Base	18	6 561 667 10 000 000	Ė	-8 561 667 -10 000 000			Ė
### AND CASE OF ALCOHOLOGY 1998 1	// /8	Taxable Caoltal		0	E	-16 561 667	•	0 22500	E
### ADMINISTRATION OF THE PROPERTY OF THE PROP	80 81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0	Е	0 0000%		0 2250%	E
### ADMINISTRATION OF THE PROPERTY OF THE PROP	82 83		21			0		0	
A Company Co	85 86			,	Ш	,		Ĭ	
April Apri	88 89			34 12%	Н				Н
Test Plant for first Advantage - MOT ADDIT 617 2001 20 115 500 115 5	90 91	LCT (prony tax is grossed-up)	23				Actual 2003	4 188 0 7 223	
The Company of the Co	93 94			+ 900			ACTURE 2003	1 223	
Comparison Com	961	Total PILs for Rate Adjustment MUST AGREE WITH 2002 RAM DECISION	25	174,504			Actual 2003	11,411	
The common shark can be seen as	00	IV) FUTURE TRUE-UPS			Ш				
The common shark can be seen as	01	V a) Calculation of the True-un Variance in Additions:				DR/ICRI			
Section Section 1997. Section 1997.	03 104	Tay reserves riarkinted in refer year	4		Ш	0			
Section Section 1997. Section 1997.	05 08	Non-idatine Arlistmaste Titler artificines "Material" Items TAXREC Other artificines "Material" Items TAXREC	6		Н	.8.084 0			Н
Balance No.	05	h Deductions - positive numbers Fereinuse Renells Plans - Pairl Amoures				0			
Section To Ten Prince on Control of the Control of	11	Some laters afficient to the survey of the s	10			0			
Section To Ten Prince on Control of the Control of	14	Fav receives relationary in review was Reserves from F/R horinning of was Contributions to deferred income plans	4		Η	0			Н
Section To Ten Prince on Control of the Control of	16	Systemations to numerical relates Other doctorions "Managins" Items TAXREC Other doctorions "Managins" Items TAXREC 9	12			0			
Ministry Americans Tear Controls Minist	19 20		26			.8.084			
Ministry Americans Tear Controls Minist	22 22 22	soroma Tav Rate			,	21 90%			
The Company of the Co	24 25	norma Tay Effort on True.un orfustments				.1 788			
The Company of the Co	27 28	Total Second Tay on Triplains				.1 766			
MAY OF CARLAMENT OF NO PROPERTY ACCOUNT VARIOUS CROSSES (IN PROPERTY OF NO PROPERTY ACCOUNTY	30 31				Η	20 78%			Н
Millionia control and Control	33					.2 229			
Reference Control Cont	94								
AND CONTROL SECURITY SECURITY CONTROL AND THE PROPERTY SECURITY S	196	istimile column				327.891			
A series and the content to come the content of the	99				х	21 90%			E
March Control	4	SEVISED REGULATORY INCOME TAX Less: Revised Miscellaneous Tax Credits	E		Ė	71.808			E
Section Section 1 to Visions 1 to 1 t	43	Total Revised Reculatory Income Tax			-	71.808	_		E
Section Section 1 to Visions 1 to 1 t	46	.ess: Regulatory Income Tax reported in the Initial Estimate Column (Cell CS8)				111,876			
	48	Reculatory Income Tax Variance			E	-40,068			Ė
Lance Creation Capital Far reported to the roll of strines culture (Cell Management of the Committee Comm	50				-	5.000.000			Ē
Lance Controls Capille Ten sporce for the roll of similar control (red) See Section Control Ten Section Control Cont	5								
Lance Controls Capille Ten sporce for the roll of similar control (red) See Section Control Ten Section Control Cont	56 57		E		×				E
A									
See Control Co	81				Ē	0.000	_		E
Section Control of the Control of th		Less: Exemption from tab Tax Rates Table 2 cell C40			ш	10.000.000			E
Section Account Company of the Compa	62	Rate (as a result of leoislative chances) sab 'Tax Rates' cell C37	Ē		Ė				F
Secretary Control To Trans Control To Tr	89	pss: Federal surtay			E	0	•		E
A DESCRIPTION OF TWO AND	171				Ė	0			E
1	74				Ė	20.79%			Ė
1	20								E
SECRETARIA ACCOUNT VARIANCE ADAPTMENT 1 9.0017. TUTURE OF VARIANCE AND SECRETARIA CONTROL TO 1 2.202 TO 2		Ontario Capital Tax			÷	0			E
Section of Control Con	181 183								Ē
AN ANTEREST PORTION OF TRUKEP AN ANTEREST PORTION OF TRUKEP AN ANTEREST PORTION OF TRUKEP AND ANTEREST PORTION OF TRUKEP A	84				_				E
AND TRANSPORT OF T	87	Referral Arrount Variance True.un Variance)	E		Ė				Ė
The state amount encount incident to. 2012 The state amount encount incident to. 2012 The state amount encount incident to. 2012 The state amount to the state amount of the State amount to the state amou	180	VI INTEREST PORTION OF TRUE-UP			Ε				
The Distriction date to district of districtions controlled MARSE in cases The Distriction of the Distric	95 95		E		E	237.860			E
Assessment for the Booker's decision. On the Street Wilson's Wilson in the Ministry of the Street Wilson in the S	04 06				Ē				Ē
20	02 08				E	76.240			E
200 Total Amount Security (RECORD) (CO.) 200 1	200				Ė	178 444			Ė
	903 903	Total risement interest (REGINEO D6%			E	237.860			E
	106 206	canance caused by excess debt			E	0			E
	102 108 109				Ė	76.240			Ē
7位	(10 (11				E				

	A	В	С	D	E
1	, A		U	<u> </u>	Version 2009.1
	REGULATORY INFORMATION (REGINFO)				
	Utility Name: Parry Sound Power Corporation			Colour Code	
5	Reporting period: 2003			Input Cell Formula in Cell	
	Days in reporting period:	365	days	Formula in Cell	
-	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			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		
_	(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	40001	
	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT LCT		100% 100%	
ZJ	·	LUI			
24	Accounting Year End		Date	12-31-2003	
26	MARR NO TAX CALCULATIONS				Regulatory
	SHEET #7 FINAL RUD MODEL DATA				Income
	(FROM 1999 FINANCIAL STATEMENTS)				
30	USE BOARD-APPROVED AMOUNTS				
31	Rate Base (wires-only)			6,561,667	
OZ.	Common Equity Ratio (CER)			50.00%	
7	1-CER			50.00%	
00	Target Return On Equity			9.88%	
	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			0.10,1.10	
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 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					0
54	Total Regulatory Income				381,870
55	Fourth.			0.000.004	
56	Equity			3,280,834	
\perp	Return at target ROE			324,146	
59				32.,.10	
	Debt			3,280,834	
61	Donnel interest consult in 4000/ (MADD			007.000	
62	Deemed interest amount in 100% of MARR			237,860	
64	Phase-in of interest - Year 1 (2001)			85,380	
65	((D43+D47)/D41)*D61			404.000	
66	Phase-in of interest - Year 2 (2002) ((D43+D47+D48)/D41)*D61			161,620	
	Phase-in of interest - Year 3 (2003) and forward			161,620	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)			701,020	
	Phase-in of interest - 2005			237,860	
71					
72					

1	A	LINE	C M of F	D Non-wires	E Wires-only	F
3	TAX RETURN RECONCILIATION (TAXREC)		Corporate Tax	Eliminations	Tax Return	
5	0		Return		Version 2009.1	
6 7	Section A: Identification: Utility Name: Parry Sound Power Corporation					
8	Reporting period: 2003 Taxation Year's start date:					
10	Taxation Year's end date: Number of days in taxation year:		365	days		
12	Please enter the Materiality Level :		8.202	< - enter materiality	level	
14	(0.25% x Rate Base x CER) (0.25% x Net Assets)	Y/N Y/N				
16 17	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 questionnaire	worksh	eet.)			
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
22	Section B: Financial statements data: Input unconsolidated financial statement data submitted with Tax returns.					
24	The actual categories of the income statements should be used. If required please change the descriptions except for amortization, interest	ovnone	o and provision for	incomo tov		
26 27				all amounts		
28	in the "non-wires elimination column" as negative values in TAXREC and	TAXREC	2.	all alliouris		
30	Income:					
32	Energy Sales Distribution Revenue	+	1.574.446		1.574.446	
33	Other Income Miscellaneous income	+	58.785		58.785 0	
36	Revenue should be entered above this line	+			0	
38	Costs and Expenses:					
39 40	Cost of energy purchased Administration	-	346.453		0 346.453	
41	Customer billing and collecting Operations and maintenance		376.330 213,847		376.330 213,847	
43 44	Amortization Ontario Capital Tax		329,475 4,128		329,475 4,128	
45 46	Emolovee Future Benefits Restatement adjustment	E			4.120 0	
47 48		-			0	
49 50	Net Income Before Interest & Income Taxes EBIT	-	362.998	0	362.998	
51 52	Provision for payments in lieu of income taxes		176,444 4,188		176,444 4,188	
53	Net Income (loss) (The Net Income (loss) on the MoF column should equal to the net income (loss)	-	182.366	0	182.366	
54 55	(the rest income (loss) on the Mor-column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)	H				
56 57	Section C: Reconciliation of accounting income to taxable income From T2 Schedule 1					
58 59	Provision for income tax	+	4,188	0	4,188	
60 61	Provision for income tax Federal large corporation tax Decreciation & Amortization	+	329.475	0	4,100 0 329,475	
62	Debreciation & Amortization Employee benefit plans-accrued, not paid Tax reserves - beginning of year	+	329.4/5	0	329.4/5 0	
64	Reserves from financial statements- end of year	+	0	0	0	
65 66	Regulatory adjustments on which true-up may apply (see A66) Items on which true-up does not apply "TAXREC 3"	_	8,364	0	8,364	
67 68	Material addition items from TAXREC 2 Other addition items (not Material) from TAXREC 2	+	0	0	0	
69 70	Subtotal		342,027	0	342,027	
71 72	Other Additions: (Please explain the nature of the additions)					
73	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	-	342.027	0	342.027	
83	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	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		274.394 42,231		274.394 42,231	
99 100	Employee benefit plans-paid amounts Items capitalized for regulatory purposes				0	
101	Regulatory adjustments : CCA	-			0	
103	other deductions Tax reserves - end of year		0	0	0	
105 106	Reserves from financial statements- beginning of year Contributions to deferred income plans		0	0	0	
107	Contributions to pension plans	F	0	0	0	
	Items on which true-up does not apply "TAXREC 3" Interest capitalized for accounting deducted for tax Material deduction incention from To VECC 2	H	0	0	0	
111 111	Material deduction items from TAXREC 2 Other deduction items (not Material) from TAXREC 2	Ė	0	0	0	
112 113 114	Subtotal Other deductions (Please explain the nature of the deductions)	-	316,625	0	316,625	
115 116	Other deductions (Please explain the nature of the deductions) Gain on disposal of assets	-			0	
117	au an areproper or economic	Ė			0	
118 119 120	Total Other Deductions	H		0	0	
121 122	Total Other Deductions Total Deductions	-	316.625	0	316,625	
123		Ē	316,625	0	316,625	
125 126	Recap Material Deductions:		0	0	0	
127			0	0	0	
128 129 130	Total Other Deductions exceed materiality level		0	0	0	
131 132	Other Deductions less than materiality level		0	0	0	
133 134	Total Other Deductions TAYABLE INCOME		207,768	0	207,768	
134 135 136	TAXABLE INCOME DEDUCT: Non-control loss applied.	Ē	207,768	0		
137	Non-capital loss applied positive number Net capital loss applied positive number	Ė	207.768		207.768	
138	NET TAXABLE INCOME	-	0	0	0	
140	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return) Net Ontario Income Tax (Must agree with tax return) -CMT	+	4,188		4,188	
144 145	Subtotal Less: Miscellaneous tax credits (Must agree with tax returns)	-	4.188 0	0	4.188 0	
146	Total Income Tax	-	4.188	0	4.188	
148	FROM ACTUAL TAX RETURNS Net Federal Income Tax Rate (Must agree with tax return)		#DIV/0!		#DIV/0!	
150 151	Net Ontario Income Tax Rate (Must agree with tax return) Blended Income Tax Rate		#DIV/0! #DIV/0!		#DIV/0! #DIV/0!	
152 153	Section F: Income and Capital Taxes					
154 155	RECAP	Е				
156 157	Total Income Taxes Ontario Capital Tax	+	4.188 7,223	0	4.188 7,223	
158 159	Federal Large Corporations Tax	+	0		0	
160 161	Total income and capital taxes	=	11.411	0	11.411	

	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	Utility Name: Parry Sound Power Corporation		Tax		Return	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				Version 2009.1	
6						
7	Utility Name: Parry Sound Power Corporation					
	Reporting period: 2003					
9						
10	TAX RESERVES					
11						
	Beginning of Year:				_	
13	20(4)(1)				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) Other - Please describe				0	<u> </u>
	Other - Please describe Other - Please describe				0	
20	Onto 1 loade describe				0	
21					0	
22	Total (carry forward to the TAXREC worksheet)		0	0	0	
23	the control of the control of					
24	End of Year:					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(I)				0	
27	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				0	
	Other - Please describe				0	
32					0	
33					0	
	Insert line above this line		0	0	0	
35 36	Total (carry forward to the TAXREC worksheet)		0	0	0	
37						
	FINANCIAL STATEMENT RESERVES					
39	THANOIAE OTATEMENT REGERVES					
	Beginning of Year:					
41					0	
42					0	
	Environmental				0	
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	-
	Property taxes				0	
	Employee Future Benefits				0	
	Other - Please describe				0	
49					0	
	Total (carry forward to the TAXREC worksheet)		0	0	0	
51	Find of Vocas					
53	End of Year:				0	1
54					0	
	Environmental				0	·
	Allowance for doubtful accounts				0	
	Inventory obsolescence				0	
	Property taxes				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						

1	A	В	С	D	E	F
3	0	LINE	M of F Corporate	Non-wires Eliminations	Wires-only Tax	
4	(for "wires-only" business - see s. 72 OEB Act) RATEPAYERS ONLY		Tax Return		Return	
5 6 7	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
8	Utility Name: Parry Sound Power Corporation Reporting period: 2003					
9 10 11 12 13 14 15 16 17 18	Number of days in taxation year:		365 8,202			
12	Materiality Level:		8,202			
14						
15 16	Section C: Reconciliation of accounting income to taxable income Add:					
17 18	Gain on sale of eliqible capital property	+			0	
19 20	Loss on disposal of assets Charitable donations (Only if it benefits ratepayers)	+			0	
20 21 22 23 24 25	Taxable capital gains	+			0	
23	Scientific research expenditures deducted per financial statements	+			0	
25 26	Capitalized interest	+			0	
27	Soft costs on construction and renovation of buildings Capital items expensed	+			0	
27 28 29	Debt issue expense Financing fees deducted in books	+			0	
30	Gain on settlement of debt Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures Share issue expense	+			0	
34	Write down of capital property	+			0	
31 32 33 34 35 36 37	Amounts received in respect of qualifying environment trust Provision for bad debts	+			0	
38		+			0	
39 40	Other Additions: (please explain in detail the nature of the item)	+			0	
41 42	Share of Partnership Income	+			0	
38 39 40 41 42 43		+			0	
45 46 47	Total Additions	+	0	0	0	
47		=	U	U	U	
48 49 50 51 52 53	Recap of Material Additions:		0	0	0	
50 51			0	0	0	
52 53			0	0	0	
54 55			0	0	0	
56			0	0	0	
58			0	0	0	
56 57 58 59 60 61 62			0	0	0	
62			0	0	0	
63 64 65 66			0	0	0	
65 66			0	0	0	
67 68 69			0	0	0	
69 70			0	0	0	
70 71 72			0	0	0	
73			0	0	0	
75			0	0	0	
74 75 76 77 78 79	Total Material additions		0	0	0	
78 79	Other additions less than materiality level Total Additions		0	0	0	
80 81	Deduct:					
82 83	Deduct: Gain on disposal of assets per f/s Dividends not taxable under section 83 Terminal loss from Schedule 8	-			0	
84 85	Terminal loss from Schedule 8 Depreciation in inventory, end of prior year	-			0	
85 86 87	Scientific research expenses claimed in year from Form T661 Bad debts	-			0	
88	Book income of joint venture or partnership	÷			0	
90	Equity in income from subsidiary or affiliates Contributions to a qualifying environment trust	-			0	
91 92	Other income from financial statements	-			0	
93 94		-			0	
95 96	Other deductions: (Please explain in detail the nature of the item) Non-taxable load transfers	-	0		0	
90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105		-	0		0	
99	Total Deductions	=	0	0	0	
101	Recap of Material Deductions:					
103			0	0	0	
104			0	0	0	
106 107 108 109			0	0	0	
108 109			0	0	0	
110			0	0	0	
110 111 112 113 114 115			0	0	0	
114			0	0	0	
115 116			0	0	0	
117 118	Total Deductions exceed materiality level Other deductions less than materiality level Total Deductions		0	0	0	
119 120	Total Deductions exceed materiality level Other deductions less than materiality level		0	0	0	
121 122	Total Deductions		0	0	0	
_		_	_	_		

	A	В	0	<u> </u>	_	
	A	В	С	D	Е	F
2	^					
3	0					
	0		M -4 F	Niam ordera	Minne and	
	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	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7	·		Return			
8	Utility Name: Parry Sound Power Corporation				Version 2009.1	
9						
10						
11	Reporting period: 2003					
	Number of days in taxation year:		365			
13						
14						
15						
	Section C: Reconciliation of accounting income to taxable income					
	Add:					
18	71441					
	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 non-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 utility assets 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	+			0	
	Non-deductible meals				0	
		+			0	
	Non-deductible club dues	+			0	
	Non-deductible automobile costs	+	0		_	
	Donations - amount per books		0		0	
	Interest and penalties on unpaid taxes				0	
	Management bonuses unpaid after 180 days of year end				0	
	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40		+	2.224		0	
	Transition costs - recovered	+	8,364		8,364	
42		+			0	
	Other Additions: (please explain in detail the nature of the item)	+			0	
	Bad debts - pre-October 1, 2001 Denied	+			0	
45		+				
46		+			0	
48	Total Additions on which true-up does not apply	=	8,364	0	8,364	
			8,364	0		
49	Total Additions on which true-up does not apply Deduct:		8,364	0		
49 50	Deduct:		8,364	0	8,364	
49 50 51	Deduct: CCA adjustments	=	8,364	0	8,364	
49 50 51 52	Deduct: CCA adjustments CEC adjustments	-	8,364	0	8,364 0 0	
50 51 52 53	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments	- -	8,364	0	8,364 0 0	
49 50 51 52 53 54	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements	- - -	8,364	0	8,364 0 0 0 0	
49 50 51 52 53 54 55	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs	- -	8,364	0	8,364 0 0 0 0 0	
49 50 51 52 53 54 55 56	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets	- - -	8,364	0	8,364 0 0 0 0 0	
49 50 51 52 53 54 55 56 57	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes	- - -	8,364	0	8,364 0 0 0 0 0	
49 50 51 52 53 54 55 56 57 58	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets		8,364	0	8,364 0 0 0 0 0	
49 50 51 52 53 54 55 56 57 58 59	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes		8,364	0	8,364 0 0 0 0 0 0 0	
49 50 51 52 53 54 55 56 57 58 59 60	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes		8,364	0	8,364 0 0 0 0 0 0 0 0 0	
49 50 51 52 53 54 55 56 57 58 59 60 61	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes		8,364	0	8,364 0 0 0 0 0 0 0 0 0 0	
49 50 51 52 53 54 55 56 57 58 59 60 61 62	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes		8,364	0	8,364 0 0 0 0 0 0 0 0 0 0 0 0	
50 51 52 53 54 55 56 57 58 59 60 61 62 63	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes		8,364	0	8,364 0 0 0 0 0 0 0 0 0 0 0 0 0	
50 51 52 53 54 55 56 57 58 59 60 61 62 63 64	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes	- - - - - - - - - - -	8,364	0	8,364 0 0 0 0 0 0 0 0 0 0 0 0 0	
50 51 52 53 54 55 56 57 58 59 60 61 62 63	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes	- - - - - - - - - - - - - - - -	8,364	0	8,364 0 0 0 0 0 0 0 0 0 0 0 0 0	
50 51 52 53 54 55 56 57 58 59 60 61 62 63 64	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes	- - - - - - - - - - - - -	8,364		8,364 0 0 0 0 0 0 0 0 0 0 0 0 0	
49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes		8,364		8,364 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes Income from joint ventures or partnerships		8,364		8,364 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes		8,364		8,364 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes Income from joint ventures or partnerships Other deductions: (Please explain in detail the nature of the item)		8,364		8,364 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes Income from joint ventures or partnerships		8,364		8,364 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 70 71	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes Income from joint ventures or partnerships Other deductions: (Please explain in detail the nature of the item)		8,364		8,364 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
50 51 52 53 54 55 56 57 60 61 62 63 64 65 66 67 68 69 70 71 72	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes Income from joint ventures or partnerships Other deductions: (Please explain in detail the nature of the item) Provincial Capital Tax				8,364 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
50 51 52 53 54 55 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes Income from joint ventures or partnerships Other deductions: (Please explain in detail the nature of the item)		8,364	0	8,364 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
50 51 52 53 54 55 56 57 60 61 62 63 64 65 66 67 68 69 70 71 72	Deduct: CCA adjustments CEC adjustments Depreciation and amortization adjustments Gain on disposal of assets per financial statements Financing fee amorization - considered to be interest expense for PILs Imputed interest income on Regulatory Assets Donations - amount deductible for tax purposes Income from joint ventures or partnerships Other deductions: (Please explain in detail the nature of the item) Provincial Capital Tax				8,364 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	

	Δ.	Б	0	Б	-	-	0 1	- 11		
1	A	В	С	D	Е	F	G	Н	ı	IJ
-	Corporate Tax Rates				V	ersion 2009.	1			
	Utility Name: Parry Sound F	Power Corp	oration							
5 6	Reporting period: 2003									
7						Table 1				
	Rates Used in 2002 RAM PI	Ls Applicat	ions for 2002			14510 1				
	Income Range		0		200,001					
10	RAM 2002	Year	to		to 700,000	>700000				
	Income Tax Rate	rear	200,000		700,000					
	Proxy Tax Year	2002								
14	Federal (Includes surtax)		13.12%		26.12%	26.12%				
	and Ontario blended		6.00%		6.00%	12.50%				
16 17	Blended rate		19.12%		34.12%	38.62%				
	Capital Tax Rate		0.300%							
19	LCT rate		0.225%							
	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000							
	Federal Large	MAX								
22	Corporations Tax	\$10MM	10,000,000							
22	Exemption ** **Exemption amounts i	muet agra	o with the	Roard-ann	royad 200	2 D / M				
	PILs filing	illust agre	e with the	Boaru-app	oveu 200	ZKAW				
23	FILS IIIIII									
24										
25	Expected Income Tax Rates	. for 2002 a	nd Conital Ta	v Evemption	o for 2002	Table 2				
	Income Range	s for 2003 a	na Capitai Ta 0	x Exemption	200,001	Taxable				
	Expected Rates		to		to	Income				
29		Year	200,000		700,000	\$327,891				
	Income Tax Rate	0000								
	Current year Federal (Includes surtax)	2003								
	Ontario	2003								
34	Blended rate	2003				21.90%				
35										
	Capital Tax Rate	2003	0.300%							
	LCT rate Surtax	2003 2003	0.225% 1.12%							
	Ontario Capital Tax	MAX								
39	Exemption *** 2003	\$5MM	5,000,000							
	Federal Large	MAX	10,000,000							
40	Corporations Tax Exemption *** 2003	\$10MM	10,000,000							
	***Allocation of exempt	tions mus	t comply w	ith the Boa	rd's instr	uctions				
42	regarding regulated ac									
43	5 5 · 5 · · · · · · · · · · · · · · · ·						1			
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	Α	В	С	D	E	F	G	Н	I	J	K	L	М	Ν	0
1	0														
2	Analysis of PILs Tax Account	1562:													
3	Utility Name: Parry Sound Pov	wer Co	orporation												Version 2009.1
4	Reporting period: 2003				Sign Convention	on: 4	for increase;	- for	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:	=	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, 2005														
13	- 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)														0
	Deferral Account Variance	+/-													
17	Adjustment (5)														0
l	Adjustments to reported	+/-													
	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

Uncollected PILs

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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.

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. 33 34 Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002. 35 36
 - 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.
- 40 41 42 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 43 44 trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.
- 45 (3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. 46 47 The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
- 48 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.
- 51 (5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet. 52 53 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.
- 55 56 57 (7) Carrying charges are calculated on a simple interest basis.
- 58 (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 59 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 60 61 62 63 64 65 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.