

[illegible]

	A	B	C	D	E
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>				<b>Version 2004.2</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				<b>RRR # 2.1.8</b>
3	<b>Utility Name: Parry Sound Power Corporation</b>				
4	<b>Reporting period: Dec. 31, 2001</b>				
5					
6	<b>Days in reporting period:</b>	92	days		
7	<b>Total days in the calendar year:</b>	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	yes	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	no	
16					
17	Is the utility a non-profit corporation?		Y/N	no	
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	yes	
20	shared among the corporate group?	LCT	Y/N	no	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT			
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT			
23					
24	Accounting Year End		Date	12-31-2004	
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	<b>Input: Board-approved dollar amounts phased-in</b>				
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					0
52					0
53	<b>Total Regulatory Income</b>				381,870
54					
55	Equity			3,280,834	
56					
57	Return at target ROE			324,146	
58					
59	Debt			3,280,834	
60					
61	Deemed interest amount in 100% of MARR			237,860	
62					
63	Phase-in of interest - Year 1 (2001)			85,380	
64	((D43+D47)/D41)*D61				
65	Phase-in of interest - Year 2 (2002)			161,620	
66	((D43+D47+D48)/D41)*D61				
67	Phase-in of interest - Year 3 (2003) and forward			161,620	
68	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
69					
70					
71					



	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
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	<b>RRR # 2.1.8</b>				<b>Version 2004.2</b>	
6						
7	<b>Utility Name: Parry Sound Power Corporation</b>					
8	<b>Reporting period: Dec. 31, 2001</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		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				0	
19	Other				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		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				0	
31	Other				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		0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other				0	
48	Other				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		0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other				0	
60	Other				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	SECTION 93 PIL & TAX GROSS-UP "SIMPL"	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 CER Act)		Tax		Return	
5	RRR # 2.1.8		Return			
6					Version 2004.2	
7						
8	Utility Name: Parry Sound Power Corporation					
9	Reporting period: Dec. 31, 2001					
10	Number of days in taxation year:		92			
11	Materiality Level:		2,051			
12						
13	Section C: Reconciliation of accounting income to taxable income					
14	Add:					
15	Recapture of capital cost allowance	+			0	
16	Gain on sale of eligible capital property	+			0	
17	Income or loss for tax purposes- joint ventures or partnerships	+	0		0	
18	Loss in equity of subsidiaries and affiliates	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations	+			0	
21	Taxable capital gains	+			0	
22	Depreciation in inventory-end of year	+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Non-deductible club dues and fees	+			0	
27	Non-deductible automobile expenses	+			0	
28	Non-deductible life insurance premiums	+			0	
29	Soft costs on construction and renovation of buildings	+			0	
30	Non-deductible meals and entertainment	+			0	
31	Book loss on joint ventures or partnerships	+			0	
32	Capital items expensed	+			0	
33	Debt issue expense	+			0	
34	Deemed dividend income	+			0	
35	Dividends credited to investment account	+			0	
36	Financing fees deducted in books	+			0	
37	Gain on settlement of debt	+			0	
38	Interest paid on income debentures	+			0	
39	Recapture of SRAED expenditures	+			0	
40	Share issue expense	+			0	
41	Write down of capital property	+			0	
42	Amounts received in respect of qualifying environment trust	+			0	
43	Other Additions: (please explain in detail the nature of the item)	+			0	
44	Debt financing expenses	+			0	
45	Amortization of deferred financing costs	+	0		0	
46		+			0	
47		+			0	
48		+			0	
49		+			0	
50		+			0	
51		+			0	
52		+			0	
53		+			0	
54	Total Additions	=	0	0	0	
55						
56	Recap of Material Additions:					
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			0	0	0	
78			0	0	0	
79			0	0	0	
80			0	0	0	
81			0	0	0	
82			0	0	0	
83			0	0	0	
84			0	0	0	
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			0	0	0	
93			0	0	0	
94						
95	Total Material additions		0	0	0	
96	Other additions less than materiality level		0	0	0	
97	Total Additions		0	0	0	
98						
99	Deduct:					
100	Gain on disposal of assets per f/s	-			0	
101	Dividends not taxable under section 83	-			0	
102	Terminal loss from Schedule 8	-			0	
103	Depreciation in inventory, and of prior year	-			0	
104	Scientific research expenses claimed in year from Form T661	-			0	
105	Bad debts	-			0	
106	Book income of joint venture or partnership	-			0	
107	Equity in income from subsidiary or affiliates	-			0	
108	Contributions to a qualifying environment trust	-			0	
109	Other income from financial statements	-			0	
110	Other deductions: (Please explain in detail the nature of the item)	-			0	
111	Imputed interest on Reg Assets	-			0	
112	Ont Cap Tax	-	0	0	0	
113	employee future benefit expense	-			0	
114		-			0	
115	Transition costs capitalized for accounting purposes	-	94,235		94,235	
116		-			0	
117		-			0	
118		-			0	
119		-			0	
120		-			0	
121		-			0	
122	Total Deductions	=	94,235	0	94,235	
123						
124	Recap of Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130			0	0	0	
131			0	0	0	
132			0	0	0	
133			0	0	0	
134			0	0	0	
135			0	0	0	
136			0	0	0	
137			0	0	0	
138			0	0	0	
139			0	0	0	
140	Transition costs capitalized for accounting purposes		94,235	0	94,235	
141			0	0	0	
142			0	0	0	
143			0	0	0	
144			0	0	0	
145	Total Deductions exceed materiality level		94,235	0	94,235	
146	Other deductions less than materiality level		0	0	0	
147	Total Deductions		94,235	0	94,235	
148						

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	A	B	C	D
1		<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>		
2		<b>Filing Requirements related to the "SIMPIL" model</b>		<b>Version 2004.2</b>
3		<b>Utility Name: Parry Sound Power Corporation</b>		<b>RRR # 2.1.8</b>
4		<b>Reporting period: Dec. 31, 2001</b>		
5				
6				
7				
8				
9		<b>Documents to be submitted to the Board when filing the Ministry of Finance Column information:</b>		
10		<b>(Stage 3 filing: normally in July of the year following the reporting period)</b>		
11				
12		<b>Please file 3 copies of each paper document and 1 CD or disk</b>		
13				
14	1)	<b>REGINFO</b>	<b>Yes</b>	
15				
16	2)	<b>TAXCALC</b>	<b>Yes</b>	
17				
18	3)	<b>TAXREC</b>	<b>Yes</b>	
19				
20	4)	<b>Tax Reserves</b>	<b>Yes</b>	
21				
22	5)	<b>TAXREC 2</b>	<b>Yes</b>	
23				
24	6)	<b>Tax Rates</b>	<b>Yes</b>	
25				
26	7)	<b>Checklist</b>	<b>Yes</b>	
27				
28	8)	<b>Background Questionnaire</b>	<b>Yes</b>	
29				
30	9)	<b>PILs Variance Analysis</b>	<b>Yes</b>	
31				
32	10)	<b>Financial statements used to prepare tax returns if different from the audited financial statements submitted to the Board in April 2005</b>	<b>N/A</b>	
33				
34	11)	<b>Electronic Excel format of the SIMPIL worksheets</b>	<b>Yes</b>	
35				
36	12)	<b>Notices of assessments, and any re-assessments, for:</b>		
37		<b>2001</b>	<b>Yes</b>	
38		<b>2002</b>	<b>Yes</b>	
39		<b>2003</b>	<b>Yes</b>	
40		<b>2004</b>	<b>Yes</b>	
41				
42	13)	<b>Schedules or pages from CT23 and T2 tax returns</b>	<b>Yes</b>	
43				
44				
45				
46				
47				
48				
49				
50				

	A	B	C
1		<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	
2		<b>Background Questionnaire</b>	<b>Version 2004.2</b>
3		<b>Utility Name: Parry Sound Power Corporation</b>	<b>RRR # 2.1.8</b>
4		<b>Reporting period: Dec. 31, 2001</b>	
5			
6	1	<b>Does the company engage in non-regulated activities?</b>	
7		<b>Answer:</b>	
8		No	
9			
10		<b>If the answer to question 1 is "NO", please skip questions 2 to 6.</b>	
11			
12	2	<b>Please identify the types of non-wire operations carried on by the LDC.</b>	
13		<b>Answer:</b>	
14			
15			
16			
17	3	<b>Does the LDC intend to transfer the non-wire operations to a separate legal entity and the expected date?</b>	
18		<b>Answer:</b>	
19			
20			
21			
22	4	<b>Please identify the percentage and amount of gross revenues arising from non-wire operations.</b>	
23		<b>Answer:</b>	
24			
25			
26	5	<b>Please identify the percentage and amount of operating expense incurred pertaining to non-wire operations.</b>	
27		<b>Answer:</b>	
28			
29			
30	6	<b>Please identify the percentage and amount of depreciation and capital cost allowance expenses pertaining to non-wire operations.</b>	
31		<b>Answer:</b>	
32			
33			
34			
35	7	<b>Did the company incur any OPEBs (post employment benefits other than pensions) for accounting and tax purposes? (Please identify the amount.)</b>	
36		<b>Answer: Yes - a total recovery of \$72,739 was included</b>	
37			
38			
39	8	<b>Did the company have any reserves for accounting and tax purposes? (Please identify the amount.)</b>	
40		<b>Answer: Only for Allowance for doubtful accounts used in schedule 1 - tax and</b>	
41		<b>accounting adjustments were the same.</b>	
42			
43			
44			



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