

ATTACHMENT AG

2005 TAX RETURN AND NOTICE ASSESSMENT

Detach and return this REMITTANCE FORM with your payment.



Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Account No.
1800266

35
PX5003

LONDON HYDRO INC.
C/O JOHN STEPHENSON, VP & CFO
111 HORTON ST

LONDON
N6A 4H6

ON

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

--	--	--	--	--	--	--	--	--	--

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--

Taxation Year End: (YYYYMMDD)

2	0	0	5	1	2	3	1
---	---	---	---	---	---	---	---

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--

Total Payment
Enclosed: \$

--	--	--	--	--	--	--	--	--	--



Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 - Corporations Tax Act, R.S.O. 1990
from 2005/01/01 to 2005/12/31

LONDON HYDRO INC.

Account No.

1800266

Assessment Date
(year, month, day)

2006/08/10

Page

1 of 1

ASSESSMENT NO. 90

Tax: Federal and Provincial PIL
Assessment Interest

Total Assessment Liability

4,807,477.00

4,354.35CR

4,803,122.65

SUMMARY OF 2005/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

5,086,130.00CR

Sub-Total

5,086,130.00CR

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

283,007.35CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

FYI
Kevin

Tax (Re)Assessment Enquiries:

- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:

- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

Account No.
1800266**35**
PX5005**LONDON HYDRO INC.**
C/O JOHN STEPHENSON, VP & CFO
111 HORTON ST**LONDON**
N6A 4H6**ON**

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Total Payment
Enclosed: \$Ministry of Finance
Corporations Tax Branch - Hydro PIL
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Keep this portion for your records.

Notice of ReassessmentElectricity Act, 1998 - Corporations Tax Act, R.S.O. 1990
from 2005/01/01 to 2005/12/31**LONDON HYDRO INC.**

Account No.

1800266Reassessment Date
(year, month, day)**2007/02/08**

Page

2 of 2**REASSESSMENT NO. 107 REPLACING ASSESSMENT DATED: 2006/08/10**

Tax: Federal and Provincial PIL

4,800,519.00

Assessment Interest

5,132.33CR

Total Reassessment Liability

4,795,386.67**SUMMARY OF 2005/12/31 TAXATION YEAR TRANSACTIONS**

Payments/Transfers

5,086,130.00CR

Refunds

283,426.33

Sub-Total

4,802,703.67CR**CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR****7,317.00CR**In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable
by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of
tax, penalty and interest for which you are assessed.

Adjustment to the computation of Total Tax payable.

Adjustment to the computation of Net Income Tax

Tax (Re)Assessment Enquiries:

- Toronto (416) 730-5595
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:

- Oshawa and Local (905) 433-6708
- Toronto (416) 920-8048 ext. 3038
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

Federal Tax Instalments

Federal tax instalments

For the taxation year ended: 2006-12-31

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made either to an authorized financial institution or filed with form T9 (instalment form) and addressed to the appropriate Revenue Canada Taxation Centre.

Date	Instalments required	Instalments paid	Cumulative difference	Instalments payable
2006-01-31	217,071			217,071
2006-02-28	217,071			217,071
2006-03-31	217,071			217,071
2006-04-30	217,071			217,071
2006-05-31	217,071			217,071
2006-06-30	217,071			217,071
2006-07-31	217,071			217,071
2006-08-31	217,071			217,071
2006-09-30	217,071			217,071
2006-10-31	217,071			217,071
2006-11-30	217,071			217,071
2006-12-31	217,064			217,064
Total	2,604,845			2,604,845

Indicate instalment method chosen [1-3]: 1

1st Instalment base method

If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.) 1

1 – 1st Instalment base method

1st Instalment base amount (amount I below)	$2,604,845 \div 12 =$	217,071
Monthly instalments required		217,071

2 – Combined 1st and 2nd instalment base method

2nd Instalment base amount:

Indicate:	Part I tax	1,956,161		
	Part I.3, VI & VI.I tax	205,606	+	
	Provincial tax		+	
	Total	2,161,767	$\div 12 =$	180,148 A
1/12 of estimated current year credits (H below /12)			=	
Each of the first two instalment payments			=	180,148 B
Total tax from I below		2,604,845		
Amount B above x 2		360,296	-	
		2,244,549	$\div 10 =$	224,455
Each of the remaining ten instalment payments			=	224,455

3 – Estimated tax method

Instalment base amount (amount I below)		$\div 12 =$	
Monthly instalments required			

Instalment base calculation

	1st instalment base method	Estimated tax method	
Taxable income	<u>11,042,113</u>		
Calculation of tax payable			
Federal part I tax	4,196,003		
Federal surtax	+ 123,672	+	
Refundable tax on a CCPC's investment income	+	+	
Subtotal	<u>4,319,675</u>		A
Small business deduction			
Investment corporation deduction	+	+	
Federal tax abatement	+ 1,104,211	+	
Manufacturing and processing profits deduction	+	+	
Non-business foreign tax credit	+	+	
Business foreign tax credit	+	+	
Tax reduction, general and accelerated	+ 772,948	+	
Logging tax credit	+	+	
Federal political contribution tax credit	+	+	
Investment tax credit per Schedule 31 and resource deduction	+	+	
Qualifying environmental trust tax credit	+	+	
Subtotal	<u>1,877,159</u>		B
Total part I tax payable (A - B)	<u>2,442,516</u>		C
Part I.3 tax	+ 162,329	+	D
Part VI tax	+	+	D.1
Part VI.I tax	+	+	D.2
Provincial/territorial tax	+	+	E
Total			
Parts I, I.3, VI, VI.I and provincial/territorial tax	<u>2,604,845</u>		F
Adjustment for short taxation years: x 365 ÷ number of days in year if less than 365	365 ÷ 365	365 ÷ 365	
	<u>2,604,845</u>		G
Estimated current year credits:			
Investment tax credit refund			
Dividend refund	+	+	
Federal capital gains refund	+	+	
Provincial and territorial capital gains refund	+	+	
NRO allowable refund per Schedule 26	+	+	
Tax withheld at source	+	+	
Other estimated credits	+	+	
Total estimated current year credits			H
Instalment base amount (G - H)	<u>2,604,845</u>		I

Ontario Tax Instalments

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
London Hydro Inc.	1800266	2005-12-31

Ontario tax instalments

For the taxation year ended: 2006-12-31

The following is a list of Ontario instalments payable for the current taxation year. The last column indicates the instalments payable to the Ontario Ministry of Revenue. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Minister of Finance. Payment may be made either to a chartered bank in Ontario or filed with an instalment form and addressed to:

Ministry of Revenue (Ontario)
Corporation Tax Branch
P.O. Box 620
33 King Street West
Oshawa, Ontario
L1H 8E9

Quarterly instalment

Date	Instalments required	Instalments paid	Cumulative difference	Instalments payable
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total	_____	_____	_____	_____

Date	Instalments required	Instalments paid	Cumulative difference	Instalments payable
2006-01-31	183,553	_____	_____	183,553
2006-02-28	183,553	_____	_____	183,553
2006-03-31	183,553	_____	_____	183,553
2006-04-30	183,553	_____	_____	183,553
2006-05-31	183,553	_____	_____	183,553
2006-06-30	183,553	_____	_____	183,553
2006-07-31	183,553	_____	_____	183,553
2006-08-31	183,553	_____	_____	183,553
2006-09-30	183,553	_____	_____	183,553
2006-10-31	183,553	_____	_____	183,553
2006-11-30	183,553	_____	_____	183,553
2006-12-31	183,549	_____	_____	183,549
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total	2,202,632	_____	_____	2,202,632

Indicate instalment method chosen [1-3]: 1

1st Instalment base method

Do not use the quarterly payment even if applicable "X" to continue montly payments

If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.) 1

1 - 1st Instalment base method

1st instalment base amount (amount I below)	$2,202,632 \div 12 =$	183,553
Monthly instalments required		183,553
Quarterly instalments required		_____

2 – Combined 1st and 2nd instalment method

2nd instalment base amount:

Indicate:	Income tax, C.M.T.	1,126,978			
	Capital tax, prem. tax	654,207	+		
	Total	1,781,185	÷ 12	=	148,433 A
Each of the first two instalment payments					148,433 B

Total tax from I below	2,202,632				
Amount A above x 2	296,866	-			
	1,905,766	÷ 10	=		190,577
Each of the remaining ten instalment payments					190,577
Quarterly instalments required					

3 – Estimated tax method

Instalment base amount (amount I below)		÷ 12	=	
Monthly instalments required				
Quarterly instalments required				

Instalment base calculation

	1st instalment base method	Estimated tax method	
Ontario taxable income	11,042,113		
Calculation of tax payable			
Gross Ontario tax	1,545,896		A
Incentive deduction for an S.B.C., net of surtax			
Manufacturing and processing profits credit	+	+	
Additional deduction for credit unions	+	+	
Credit for foreign taxes paid	+	+	
Credit for investment in S.B.D.C.	+	+	
Specified credits applied against income tax	+	+	
Total deduction and credits	=	=	B
Income tax (A - B)	1,545,896		C
Capital tax	656,736	+	D
Corporate minimum tax paid (credited)	+	+	E
Premium tax	+	+	F
Total income tax and other taxes (C + D + E + F)	= 2,202,632	=	G
Adjustment for short taxation years			
x 365 ÷ number of days in year if less than 365	365 ÷ 365	365 ÷ 365	H
	2,202,632		
Total estimated current year credits	-	-	I
	2,202,632		



T2 CORPORATION INCOME TAX RETURN

200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the *T2 Corporation - Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

055 Do not use this area

Identification

Business Number (BN) 001 86483 7430 RC0001

Corporation's name

002 London Hydro Inc.

Has the corporation changed its name since the last time we were notified? 003 1 Yes ☐ 2 No ☒

If Yes, do you have a copy of the articles of amendment? ... 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? 010 1 Yes ☐ 2 No ☒

011 111 Horton Street

012 City Province, territory, or state

015 London 016 ON

Country (other than Canada) Postal code/Zip code

017 018 N6A 4H6

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? 020 1 Yes ☐ 2 No ☒

021 c/o

022 City Province, territory, or state

025 026

Country (other than Canada) Postal code/Zip code

027 028

Location of books and records

Has the location of books and records changed since the last time we were notified? 030 1 Yes ☐ 2 No ☒

031 111 Horton Street

032 City Province, territory, or state

035 London 036 ON

Country (other than Canada) Postal code/Zip code

037 038 N6A 4H6

040 Type of corporation at the end of the taxation year

1 ☒ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation

2 ☐ Other private corporation 5 ☐ Other corporation (specify, below)

3 ☐ Public corporation

If the type of corporation changed during the taxation year, provide the effective date of the change 043 YYYY MM DD

To which taxation year does this return apply?

Taxation year start Taxation year end
060 2005-01-01 061 2005-12-31
YYYY MM DD YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒

If Yes, provide the date control was acquired 065 YYYY MM DD

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:
Incorporation? 070 1 Yes ☐ 2 No ☒
Amalgamation? 071 1 Yes ☐ 2 No ☒

If Yes, complete lines 030 to 038 and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? 072 1 Yes ☐ 2 No ☒

If Yes, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada? 080 1 Yes ☒ 2 No ☐ If No, give the country of residence on line 081 and complete and attach Schedule 97.

081 Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes ☐ 2 No ☒
If Yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085 1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091 092 093 094 095 096

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.

Schedules – Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.

	Yes	Schedule
Is the corporation related to any other corporations?	150 <input checked="" type="checkbox"/>	9
Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
Is the corporation an associated Canadian-controlled private corporation?	160 <input checked="" type="checkbox"/>	23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162 <input type="checkbox"/>	11
If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163 <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167 <input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168 <input type="checkbox"/>	22
Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ?	170 <input type="checkbox"/>	29
Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172 <input type="checkbox"/>	
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input checked="" type="checkbox"/>	50
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202 <input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
Is the corporation claiming any type of losses?	204 <input type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 <input type="checkbox"/>	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207 <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible capital property?	210 <input type="checkbox"/>	10
Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221 <input type="checkbox"/>	21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232 <input type="checkbox"/>	T661
Is the corporation subject to gross Part I.3 tax?	233 <input checked="" type="checkbox"/>	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236 <input checked="" type="checkbox"/>	36
Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243 <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250 <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund?	254 <input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax?	255 <input type="checkbox"/>	92 *

* We do not print this schedule.

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256	<input type="checkbox"/>	T1134-A
Did the corporation have any controlled foreign affiliates?	258	<input type="checkbox"/>	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	259	<input type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust?	260	<input type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261	<input type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262	<input type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263	<input type="checkbox"/>	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264	<input type="checkbox"/>	T1174

Additional information

Is the corporation inactive?	280	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter Yes for first-time filers)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? 282 _____ (Only complete if Yes was entered at line 281.)			
If the major business activity involves the resale of goods, show whether it is wholesale or retail	283	1 Wholesale <input type="checkbox"/>	2 Retail <input type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284 Electricity Dist	285 100.000 %	
	286 _____	287 _____ %	
	288 _____	289 _____ %	
Did the corporation immigrate to Canada during the taxation year?	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL.	300	11,042,113	A
Deduct: Charitable donations from Schedule 2	311		
Gifts to Canada, a province, or a territory from Schedule 2	312		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction from Schedule 43 *	325		
Non-capital losses of preceding taxation years from Schedule 4	331		
Net capital losses of preceding taxation years from Schedule 4	332		
Restricted farm losses of preceding taxation years from Schedule 4	333		
Farm losses of preceding taxation years from Schedule 4	334		
Limited partnership losses of preceding taxation years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
	Subtotal		B
	Subtotal (amount A minus amount B) (if negative, enter "0")	11,042,113	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	11,042,113	
Income exempt under paragraph 149(1)(t)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		11,042,113	Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7 **400** 11,042,113 A

Taxable income from line 360 on page 3, minus 10/3 of the amount on line 632* on page 7, minus 3 times the amount on line 636** on page 7, and minus any amount that, because of federal law, is exempt from Part I tax **405** 11,042,113 B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

225,000	x	Number of days in the taxation year in 2003	=	1
		Number of days in the taxation year	365	
250,000	x	Number of days in the taxation year in 2004	=	2
		Number of days in the taxation year	365	
300,000	x	Number of days in the taxation year after 2004	=	300,000 3
		Number of days in the taxation year	365	

Add amounts at lines 1, 2, and 3 300,000 4

Business limit (see notes 1 and 2 below) **410** 300,000 C

Notes: 1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C 300,000 x **415** *** 432,734 D = 11,539,573 E

Reduced business limit (amount C minus amount E) (if negative, enter "0") **425** F

Small business deduction — 16.00 % of whichever amount is the least: A, B, C, or F **430** G

(enter amount G on line 9 of page 7)

* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporate tax reductions under section 123.4.

*** Large corporation tax

- The large corporation tax to be entered on line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus \$10,000,000).
- If the corporation is not associated with any corporations in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporations in the current taxation year, but was associated in the preceding taxation year, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) x 300,000 = A

Net active business income (amount from line 400) * 11,042,113 B

Taxable income from line 360 on page 3 minus 3 times the amount at line 636** on page 7, and minus any amount that, because of federal law, is exempt from Part I Tax 11,042,113 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) D

Amount C minus amount D (if negative, enter "0") 11,042,113 ▶ 11,042,113 E

Amount A, B, or E above, whichever is less F

Amount Z from Part 9 of Schedule 27 x 100 / 7 = G

Amount QQ from Part 13 of Schedule 27 H

Taxable resource income (amount from line 435 of page 5) I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less K

Total of amounts G, H, I, J, and K ▶ L

Amount F minus amount L (if negative, enter "0") M

Accelerated tax reduction — 7.00 % of amount M (enter amount N on line 637 of page 7) N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)]				435	<u> </u>	A
Amount A	x	Number of days in the taxation year in 2004		x 2 % =		B
		Number of days in the taxation year	365			
Amount A	x	Number of days in the taxation year in 2005	365	x 3 % =		C
		Number of days in the taxation year	365			
Amount A	x	Number of days in the taxation year in 2006		x 5 % =		D
		Number of days in the taxation year	365			
Amount A	x	Number of days in the taxation year after 2006		x 7 % =		E
		Number of days in the taxation year	365			
Resource deduction – total of amounts B, C, D, and E				438	<u> </u>	F
(enter amount F on line 10 of page 7)						

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3					<u>11,042,113</u>	A
Amount Z from Part 9 of Schedule 27	x	100 / 7 =				B
Amount QQ from Part 13 of Schedule 27						C
Taxable resource income from line 435 above						D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)						E
Amount on line 400, 405, 410, or 425 on page 4, whichever is the least						F
Aggregate investment income from line 440 of page 6						G
Amount used to calculate the accelerated tax reduction (amount M of page 4)						H
Total of amounts B, C, D, E, F, G, and H						I
Amount A minus amount I (if negative, enter "0")					<u>11,042,113</u>	J
Amount J	x	Number of days in the taxation year after 2003	365	x 7 % =		K
		Number of days in the taxation year	365		<u>772,948</u>	
General tax reduction for Canadian-controlled private corporations – amount K					<u>772,948</u>	L
(enter amount L on line 638 of page 7)						

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation

Taxable income from line 360 on page 3						M
Amount Z from Part 9 of Schedule 27	x	100 / 7 =				N
Amount QQ from Part 13 of Schedule 27						O
Taxable resource income from line 435 above						P
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)						Q
Total of amounts N, O, P, and Q						R
Amount M minus amount R (if negative, enter "0")						S
Amount S	x	Number of days in the taxation year after 2003	365	x 7 % =		T
		Number of days in the taxation year	365			
General tax reduction – amount T						U
(enter amount U on line 639 of page 7)						

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income **440** x 26 2 / 3 % = A
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7

Deduct:

Foreign investment income **445** x 9 1 / 3 % = B
(amount O from Part 1 of Schedule 7) (if negative, enter "0")

Amount A minus amount B (if negative, enter "0") C

Taxable income from line 360 on page 3 **11,042,113**

Deduct:

Amount on line 400, 405, 410, or 425 on page 4,
whichever is the least

Foreign non-business
income tax credit from
line 632 of page 7

x 25 / 9 =

Foreign business income
tax credit from line 636
of page 7

x 3 =

11,042,113

x 26 2 / 3 % = **2,944,563** D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 8) **2,442,516**

Deduct: Corporate surtax from line 600 of page 7 **123,672**

Net amount **2,318,844** ▶ **2,318,844** E

Refundable portion of Part I tax – Amount C, D, or E, whichever is the least **450** F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year **460**

Deduct: Dividend refund for the previous taxation year **465**

Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from line 360 of Schedule 3

Net refundable dividend tax on hand transferred from a predecessor
corporation on amalgamation, or from a wound-up subsidiary corporation ... **480**

Refundable dividend tax on hand at the end of the taxation year – Amount G plus amount H **485**

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 of Schedule 3 x 1 / 3 I

Refundable dividend tax on hand at the end of the taxation year from line 485 above J

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8)

Part I tax

Base amount of Part I tax — 38.00 % of taxable income (line 360 or amount Z, whichever applies) from page 3 **550** 4,196,003 A

Corporate surtax calculation

Base amount from line A above 4,196,003 1

Deduct:

10 % of taxable income (line 360 or amount Z, whichever applies) from page 3 . . . 1,104,211 2

Investment corporation deduction from line 620 below 3

Federal logging tax credit from line 640 below 4

Federal qualifying environmental trust tax credit from line 648 below 5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is the least:

28.00 % of taxable income from line 360 of page 3 a

28.00 % of taxed capital gains b

Part I tax otherwise payable c

(line A plus lines C and D minus line F)

Total of lines 2 to 6 1,104,211 7

Net amount (line 1 minus line 7) 3,091,792 8

Corporate surtax — 4.00 % of the amount on line 8 **600** 123,672 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 **602** C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6 i

Taxable income from line 360 on page 3 11,042,113

Deduct:

Amount on line 400, 405, 410, or 425 of page 4, whichever is the least

Net amount 11,042,113 11,042,113 ii

Refundable tax on CCPC's investment income — 6 2 / 3 % of whichever is less: amount i or ii **604** D

Subtotal (add lines A, B, C, and D) 4,319,675 E

Deduct:

Small business deduction from line 430 of page 4 9

Federal tax abatement **608** 1,104,211

Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 **616**

Investment corporation deduction **620**

(taxed capital gains **624**)

Additional deduction — credit unions from Schedule 17 **628**

Federal foreign non-business income tax credit from Schedule 21 **632**

Federal foreign business income tax credit from Schedule 21 **636**

Accelerated tax reduction from amount N on page 4 **637**

Resource deduction from line 438 on page 5 10

General tax reduction for CCPCs from amount L on page 5 **638** 772,948

General tax reduction from amount U on page 5 **639**

Federal logging tax credit from Schedule 21 **640**

Federal political contribution tax credit **644**

Federal political contributions **646**

Federal qualifying environmental trust tax credit **648**

Investment tax credit from Schedule 31 **652**

Apprenticeship job creation tax credit 11

Subtotal 1,877,159 1,877,159 F

Part I tax payable — Line E minus line F (enter amount G on line 700 of page 8) 2,442,516 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	2,442,516
Part I.3 tax payable from Schedule 33, 34, or 35	704	162,329
Part II surtax payable from Schedule 46	708	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		2,604,845

Add provincial or territorial tax:

Provincial or territorial jurisdiction **750** Ontario
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)
Net provincial or territorial tax payable (except Québec, Ontario, and Alberta) **760**
Provincial tax on large corporations (New Brunswick and Nova Scotia) **765**

Total tax payable **770** 2,604,845 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Royalties deductible under Syncrude Remission Order	815	
Tax remitted under Syncrude Remission Order	816	
Tax instalments paid	840	2,604,845

Total credits **890** 2,604,845 B

Refund code **894** Overpayment

Balance (line A minus line B)

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information **910**
Branch number
914 Institution number **918** Account number

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid
Enclosed payment **898**

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? **896** 1 Yes ☐ 2 No ☒

Certification

I, **950** Stephenson Last name **951** John First name **954** C.F.O. Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 2006-06-28

Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (519) 661-5800

Telephone number

Is the contact person the same as the authorized signing officer? If No, complete the information below

957 1 Yes ☒ 2 No ☐

958

Name

959

Telephone number

Language of correspondence – Langue de correspondance

990 Indicate the language in which you would like to receive correspondence. 1 English / Anglais ☒ 2 Français / French ☐
Indiquer la langue de correspondance de votre choix.



GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 100

Name of corporation	Business Number	Taxation year end Year Month Day
London Hydro Inc.	86483 7430 RC0001	2005-12-31

Balance sheet information

Account	Description	GIFI	Amount	Prior year
Assets				
	Total current assets	1599 +	72,505,000	69,756,000
	Total tangible capital assets	2008 +	298,615,000	299,348,000
	Total accumulated amortization of tangible capital assets	2009 -	131,391,000	133,096,000
	Total intangible capital assets	2178 +		
	Total accumulated amortization of intangible capital assets	2179 -		
	Total long-term assets	2589 +	17,918,000	15,242,000
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	257,647,000	251,250,000

Liabilities				
	Total current liabilities	3139 +	49,636,000	46,679,000
	Total long-term liabilities	3450 +	87,287,000	87,022,000
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	136,923,000	133,701,000

Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	120,724,000	117,549,000

	Total liabilities and shareholder equity	3640 =	257,647,000	251,250,000
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Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	24,608,000	21,433,000

* Generic item



GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Form identifier 125

Name of corporation	Business Number	Taxation year end Year Month Day
London Hydro Inc.	86483 7430 RC0001	2005-12-31

Income statement information

Description	GIFI
Operating name	0001
Description of the operation	0002
Sequence Number	0003 01

Account	Description	GIFI	Amount	Prior year
Income statement information				
	Total sales of goods and services	8089 +	42,262,000	40,015,000
	Cost of sales	8518 -		
	Gross profit/loss	8519 =	42,262,000	40,015,000
	Cost of sales	8518 +		
	Total operating expenses	9367 +	35,178,000	27,777,000
	Total expenses (mandatory field)	9368 =	35,178,000	27,777,000
	Total revenue (mandatory field)	8299 +	42,262,000	40,015,000
	Total expenses (mandatory field)	9368 -	35,178,000	27,777,000
	Net non-farming income	9369 =	7,084,000	12,238,000

Farming income statement information				
	Total farm revenue (mandatory field)	9659 +		
	Total farm expenses (mandatory field)	9898 -		
	Net farm income	9899 =		

	Net income/loss before taxes and extraordinary items	9970 =	7,084,000	12,238,000
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Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975 -		
	Legal settlements	9976 -		
	Unrealized gains/losses	9980 +		
	Unusual items	9985 -		
	Current income taxes	9990 -	4,463,000	3,270,000
	Deferred income tax provision	9995 -	-2,554,000	860,000
	Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	5,175,000	8,108,000



SCHEDULE 141

NOTES CHECKLIST

Corporation's name London Hydro Inc.	Business Number 86483 7430 RC0001	Taxation year end Year Month Day 2005-12-31
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- This schedule should be completed from the perspective of the person who prepared or reported on the **financial statements**. This person is referred to as the "accounting practitioner", in this schedule.
- For more information, see RC4088, *Guide to the General Index of Financial Information (GIFI) for Corporations* and T4012, *T2 Corporation – Income Tax Guide*.
- Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

Part 1 – Accounting practitioner information

Does the accounting practitioner have a professional designation? **095** 1 Yes ☒ 2 No ☐

Is the accounting practitioner connected* with the corporation? **097** 1 Yes ☐ 2 No ☒

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Note

If the accounting practitioner does not have a professional designation or is connected with the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4.

Part 2 – Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner: **198**

Completed an auditor's report 1 ☒

Completed a review engagement report 2 ☐

Conducted a compilation engagement 3 ☐

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement** above, answer the following question:

Has the accounting practitioner expressed a reservation? **099** 1 Yes ☐ 2 No ☒

Part 4 – Other information

Were notes to the financial statements prepared? **101** 1 Yes ☒ 2 No ☐

If Yes, complete lines 102 to 107 below:

Are any values presented at other than cost? **102** 1 Yes ☐ 2 No ☒

Has there been a change in accounting policies since the last return? **103** 1 Yes ☐ 2 No ☒

Are subsequent events mentioned in the notes? **104** 1 Yes ☒ 2 No ☐

Is re-evaluation of asset information mentioned in the notes? **105** 1 Yes ☐ 2 No ☒

Is contingent liability information mentioned in the notes? **106** 1 Yes ☐ 2 No ☒

Is information regarding commitments mentioned in the notes? **107** 1 Yes ☐ 2 No ☒

Does the corporation have investments in joint venture(s) or partnership(s)? **108** 1 Yes ☐ 2 No ☒

If Yes, complete line 109 below:

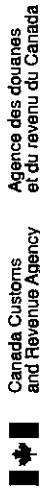
Are you filing financial statements of the joint venture(s) or partnership(s)? **109** 1 Yes ☐ 2 No ☐

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Taxation year end Year Month Day
London Hydro Inc.	86483 7430 RC0001	2005-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

Net income (loss) after taxes and extraordinary items per financial statements			5,175,000	A
Add:				
Provision for income taxes – current	101	4,463,000		
Provision for income taxes – deferred	102	-2,554,000		
Amortization of tangible assets	104	12,848,000		
Non-deductible club dues and fees	120	2,729		
Non-deductible meals and entertainment expenses	121	33,134		
Non-deductible company pension plans	124	365,000		
Subtotal of additions		15,157,863	▶	15,157,863
Other additions:				
Miscellaneous other additions:				
600 Recovery of regulatory amounts previously expensed	290	3,154,000		
601 Ontario Capital Tax expensed for accounting	291	600,000		
Subtotal of other additions	199	3,754,000	▶	3,754,000
Total additions	500	18,911,863	▶	18,911,863
Deduct:				
Gain on disposal of assets per financial statements	401	44,432		
Capital cost allowance from Schedule 8	403	12,127,562		
Subtotal of deductions		12,171,994	▶	12,171,994
Other deductions:				
Miscellaneous other deductions:				
700 PST assessments paid not deducted for accounting	390	216,000		
701 Ontario Capital Tax per CT23	391	656,756		
Subtotal of other deductions	499	872,756	▶	872,756
Total deductions	510	13,044,750	▶	13,044,750
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				11,042,113



Agence des douanes
et du revenu du Canada

SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

Name of corporation		Business Number		Taxation year end Year Month Day	
London Hydro Inc.		86483 7430 RC0001		2005-12-31	

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

1 Class number	2 Undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the year*	4 Net adjustments	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)**	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance (amount on line 107 of Schedule 1)	11 Terminal loss (amount on line 404 of Schedule 1)	12 Capital cost allowance (column 8 multiplied by column 9; or a lower amount) (amount on line 403 of Schedule 1)***	13 Undepreciated capital cost at the end of the year (column 6 minus column 12)
200	201	203	205	207		211		212	213	215	217	220
1	109,255,609	368,745		0	109,624,354	184,373	109,439,981	4	0	0	4,377,599	105,246,755
2	55,699,224			70,246	55,628,978		55,628,978	6	0	0	3,337,739	52,291,239
3	5,807,219			89,031	5,718,188		5,718,188	5	0	0	285,909	5,432,279
4	4,644,701	228,296		0	4,872,997	114,148	4,758,849	20	0	0	951,770	3,921,227
5	3,708,058	1,239,874		5,000	4,942,932	617,437	4,325,495	30	0	0	1,297,649	3,645,283
6	927,796	1,126,412		0	2,054,208	563,206	1,491,002	100	0	0	1,491,002	563,206
7		9,647,347		0	9,647,347	4,823,674	4,823,673	8	0	0	385,894	9,261,453
Total	180,042,607	12,610,674		164,277	192,489,004	6,302,838	186,186,166				12,127,562	180,361,442

* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).

** The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

*** If the taxation year is shorter than 365 days, prorate the CCA claim.

See the *T2 Corporation Income Tax Guide* for more information.

T2 SCH 8 (99)

Canada

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Taxation year end Year Month Day
London Hydro Inc.	86483 7430 RC0001	2005-12-31

This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporations(s)

Name	Country of resi- dence (if other than Canada)	Business Number (Canadian corporation only) (see note 1)	Rela- tion- ship code (see note 2)	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of preferred shares owned	Book value of capital stock
100	200	300	400	500	550	600	650	700
1. The Corporation of the City of London		NR	1	1,001	100.000			96,116

Note 1: Enter "NR" if a corporation is not registered.

Note 2: Enter the code number of the relationship that applies from the following order: 1 – Parent 2 – Subsidiary 3 – Associated 4 – Related, but not associated.

T2 SCH 9(99)

Canada

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act*, not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the code that applies to each corporation:

- 1 - associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
- 3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
- 4 - associated non-CCPC
- 5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group that is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 times the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A is equal to an amount in one of the following ranges, whichever applies:

- from \$200,001 to \$225,000, if the calendar year to which this agreement applies is 2003;
- from \$225,001 to \$250,000, if the calendar year to which this agreement applies is 2004; or
- from \$250,001 to \$300,000, if the calendar year to which this agreement applies is 2005.

If the calendar year to which this agreement applies is after 2005, ensure that the total at line A does not exceed \$300,000.

Allocation of the business limit

Date filed (do not use this area) **025** Year Month Day

Enter the calendar year to which the agreement applies **050** Year
2005

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** 1 Yes ☐ 2 No ☒

1 Names of associated corporations	2 Business Number of associated corporations	3 Asso- ciation code	4 Business limit for the year (before the allocation) \$	5 Percentage of the business limit %	6 Business limit allocated* \$
100	200	300		350	400
London Hydro Inc.	86483 7430 RC0001	1	300,000	100.0000	300,000
1 The Corporation of the City of London	NR	4			
Total				100.0000	300,000 A

Business limit reduction under subsection 125(5.1)

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the amounts used in this calculation is the "Large corporation tax" at line 415 of the T2 return. If the corporation is a member of an associated group*** of corporations in the current taxation year, and that taxation year:

- starts before December 21, 2002, the amount at line 415 of the T2 return is equal to the gross Part I.3 tax of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year. The gross Part I.3 tax is the amount before deducting the surtax credits, which is increased to reflect a full-year tax liability if the taxation year is less than 51 weeks; or
- starts after December 20, 2002, the amount at line 415 of the T2 return is equal to $0.225\% \times (A - \$10,000,000)$ where, "A" is the total of taxable capital employed in Canada** of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year.

*Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's taxation year is less than 51 weeks, prorate the amount in column 6 by the number of days in the taxation year divided by 365, and enter the result on line 410 of the T2 return.

If a CCPC has more than one taxation year ending in a calendar year and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year, the business limit for the second (and subsequent) taxation year(s) will be equal to the business limit allocated for the first taxation year ending in the calendar year.

**"Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the *Income Tax Act*.

*** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

T2 SCH 23 (04)

Canada



Canada Customs
and Revenue Agency

Agence des douanes
et du revenu du Canada

SCHEDULE 33

PART 1.3 TAX ON LARGE CORPORATIONS

Name of corporation	Business Number	Taxation year end Year Month Day
London Hydro Inc.	86483 7430 RC0001	2005-12-31

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part 1.3 tax payable before deducting surtax credits (line 820 in Part 5). You should also use and file this schedule if you calculate a **gross Part 1.3 tax for the purposes of unused surtax credit** (line 821 in Part 6) and a **current-year unused surtax credit** (line 850 in Part 8).
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part 1.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- No Part 1.3 tax is payable for a taxation year by a corporation that was:
 - 1) a non-resident-owned investment corporation throughout the year;
 - 2) bankrupt [as defined by subsection 128(3)] at the end of the year;
 - 3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
 - 4) exempt from tax under section 149 throughout the year on all of its taxable income;
 - 5) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
 - 6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the *T2 Corporation Income Tax Return* no later than six months from the end of the taxation year.
- This schedule may contain changes that had not yet become law at the time of printing.

Complete the following areas to determine the amounts needed to calculate Part 1.3 tax. If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

Part 1 – Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101	8,913,000
Capital stock (or members' contributions if incorporated without share capital)	103	96,116,000
Retained earnings	104	24,608,000
Contributed surplus	105	
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	
Any dividends declared but not paid by the corporation before the end of the year	110	
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111	89,784,000

Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses

112	
Subtotal	219,421,000
	219,421,000 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	121	5,992,000
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122	
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123	
The amount of deferred unrealized foreign exchange losses at the end of the year	124	

Subtotal	5,992,000
	5,992,000 B

Capital for the year (amount A minus amount B) (if negative, enter "0") 190 213,429,000

Note:

Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- If the partnership is a member of another partnership (tiered partnerships), include the amounts of the partnership and tiered partnerships.
- Amounts for the partnership and tiered partnerships are those that would be determined under lines 101, 107, 108, 109, 111, and 112 as if they apply in the same way that they apply to corporations.
- Amounts owing to the member or to other corporations that are members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	

A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	406	
An interest in a partnership (see note 1 below)	407	
Investment allowance for the year	490	

Notes:

- Where the corporation has an interest in a partnership or tiered partnerships, consider the following:
 - the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
 - the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's taxation year; and
 - the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.
- Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)].
- Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, according to subsection 181.2(6).

Part 3 – Taxable capital

Capital for the year (line 190)		213,429,000	C
Deduct: Investment allowance for the year (line 490)			D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	213,429,000	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)	213,429,000	x	Taxable income earned in Canada	610	11,042,113	=	Taxable capital employed in Canada	690	213,429,000
			Taxable income		11,042,113				

- Notes:**
- Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
 - Where a corporation's taxable income for a taxation year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of \$1,000.
 - In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	701	
--	-----	--

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711	
---	-----	--

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	712	
--	-----	--

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713	
Total deductions (add lines 711, 712, and 713)		E

Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")	790	
--	------------	--

Notes: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation of gross Part 1.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)	213,429,000	
Deduct: Capital deduction claimed for the year (enter \$50,000,000 or, for related corporations, the amount allocated on Schedule 36)	801 50,000,000	
Excess of taxable capital employed in Canada over capital deduction	811 163,429,000	
Line 811 <u>163,429,000</u> x <u>Number of days in the taxation year before 2004</u> x 0.00225000 = . . .		F
<u>Number of days in the taxation year</u> 365		
Line 811 <u>163,429,000</u> x <u>Number of days in the taxation year in 2004</u> x 0.00200000 = . . .		G
<u>Number of days in the taxation year</u> 365		
Line 811 <u>163,429,000</u> x <u>Number of days in the taxation year in 2005</u> x 0.00175000 = . . .		H
<u>Number of days in the taxation year</u> 365		
Line 811 <u>163,429,000</u> x <u>Number of days in the taxation year in 2006</u> x = . . .		I
<u>Number of days in the taxation year</u> 365		
Line 811 <u>163,429,000</u> x <u>Number of days in the taxation year in 2007</u> x = . . .		J
<u>Number of days in the taxation year</u> 365		
Note: The Part 1.3 tax rate is reduced to 0% for the days in the taxation year that are after 2005.		
Subtotal (add amounts F to J)	286,001	K
Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part 1.3 tax as follows:		
Amount K <u>286,001</u> x <u>Number of days in the year (365)</u> = . . .		L
<u>365</u>		
Gross Part 1.3 tax (amount K or L, whichever applies)	820 286,001	

Part 6 – Calculation of gross Part 1.3 tax for purposes of the unused surtax credit

Taxable capital employed in Canada (line 690 or 790, whichever applies)	213,429,000	M
Deduct: Line 801 above <u>50,000,000</u> x 1/5 = . . .	10,000,000	N
Excess (amount M minus amount N) (if negative, enter "0")	203,429,000	O
Amount O <u>203,429,000</u> x 0.00225 = . . .	457,715	P
Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part 1.3 tax for purposes of the unused surtax credit as follows:		
Amount P <u>457,715</u> x <u>Number of days in the year (365)</u> = . . .		Q
<u>365</u>		
Gross Part 1.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies)	821 457,715	

Part 7 – Calculation of current-year surtax credit available

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, enter amount **a** or **b** at line R, whichever is less:

a) line 600 from the T2 return **a**
b) line 700 from the T2 return **b** **R**

In any other case, enter amount **c** or **d** at line S, whichever is less:

c) line 600 from the T2 return 123,672 x $\frac{\text{line 690 of this schedule } 213,429,000}{\text{line 500 of this schedule } 213,429,000} = \underline{123,672}$ **c**
d) line 700 from the T2 return 2,442,516 **d** 123,672 **S**

Current-year surtax credit available (amount R or S, whichever applies) **830** 123,672

Part 8 – Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830) 123,672
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821) 457,715

Current-year unused surtax credit (if negative, enter "0") **850**
Enter this amount at line 600 on Schedule 37.

Part 9 – Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820) 286,001 **T**
Deduct:
Current-year surtax credit applied (line 820 or 830, whichever is less) **861** 123,672
Unused surtax credit from previous years applied (amount from line 320 on Schedule 37) **862**
Subtotal (cannot be more than amount on line 820) 123,672 ▶ 123,672 **U**
Net Part I.3 tax payable (amount T minus amount U) **870** 162,329
Enter this amount at line 704 of the T2 return.



SCHEDULE 36

AGREEMENT AMONG RELATED CORPORATIONS – PART 1.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$50,000,000 among the members of the related group. **Do not file this agreement if no members of the related group have to pay Part 1.3 tax.**
- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal *Income Tax Act*, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Agreement			
Date filed (do not use this area)	010	Year Month Day	
Is this an amended agreement?	020	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Calendar year to which the agreement applies	030	Year 2005	
Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member that is exempt from Part 1.3 tax under subsection 181.1(3) does not have to be included.			
Names of all corporations which are members of the related group 200	Business Number (if a corporation is not registered, enter "NR") 300	Allocation of capital deduction for the year \$ 400	Taxation year end to which this agreement applies* (YYYY/MM/DD) 500
London Hydro Inc.	86483 7430 RC0001	50,000,000	
1 The Corporation of the City of London	NR		
Total (cannot be more than \$50,000,000)		50,000,000	

* Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Taxation year end Year Month Day
London Hydro Inc.	86483 7430 RC0001	2005-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

		Provide only one number per shareholder				
Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual or trust)		Business Number	Social Insurance Number	Trust Number	Percentage common shares	Percentage preferred shares
100		200	300	350	400	500
1	The Corporation of the City of London	NR			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						



Ministry of Finance

Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

2006

CT23 Corporations Tax and
Annual ReturnFor taxation years commencing
after December 31, 2003Corporations Tax Act – Ministry of Finance (MOF)
Corporations Information Act – Ministry of Government Services (MGS)

This form is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Government Services (MGS) Annual Return. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MGS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MGS Annual Return Required? (Not required if already filed or
Annual Return exempt. Refer to Guide) ☒ Yes ☐ No **Page 1 of 20**

Corporation's Legal Name (including punctuation) London Hydro Inc.			Ontario Corporations Tax Account No. (MOF) 1800266														
Mailing Address 111 Horton Street London ON CA N6A 4H6			This Return covers the Taxation Year Start <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2005</td><td>01</td><td>01</td></tr></table> End <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2005</td><td>12</td><td>31</td></tr></table>			year	month	day	2005	01	01	year	month	day	2005	12	31
year	month	day															
2005	01	01															
year	month	day															
2005	12	31															
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes <input type="checkbox"/> No Date of Change <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr></table>			year	month	day	Date of Incorporation or Amalgamation <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2000</td><td>04</td><td>26</td></tr></table>			year	month	day	2000	04	26			
year	month	day															
year	month	day															
2000	04	26															
Registered/Head Office Address 111 Horton Street London ON CA N6A 4H6			Ontario Corporation No. (MGS) 1800266														
Location of Books and Records 111 Horton Street London ON CA N6A 4H6			Canada Revenue Agency Business No. If applicable, enter 86483 7430 RC0001														
Name of person to contact regarding this CT23 Return John Stephenson	Telephone No. (519) 661-5800	Fax No. (519) 661-2596	Jurisdiction Incorporated Ontario														
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MGS) Ontario Canada			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr></table> Ceased <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr></table> <input checked="" type="checkbox"/> Not Applicable			year	month	day	year	month	day						
year	month	day															
year	month	day															
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MGS)			Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français														
Information on Directors/Officers/Administrators must be completed on MGS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MGS). No. of Schedule(s) <table border="1"><tr><td> </td></tr></table> If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MGS, please check (X) this box. Schedule(s) A and K are not required (MGS). <input checked="" type="checkbox"/> No Change				Ministry Use 													
Certification (MGS)																	
I certify that all information set out in the Annual Return is true, correct and complete. Name of Authorized Person (Print clearly or type in full) John Stephenson Title: <input type="checkbox"/> Director <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other individual's having knowledge of the Corporation's business activities Note: Sections 13 and 14 of the <i>Corporations Information Act</i> provide penalties for making false or misleading statements or omissions.																	

London Hydro Inc.

1800266

2005-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

Type of corporation

- 1** ☒ Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- ☐ Other Private
- ☐ Public
- ☐ Non-share Capital
- ☐ Other (specify) ▼

Share Capital with full voting rights
owned by Canadian Residents

(nearest percent)

100 %

- 2** ☐ Family Farm corporation s.1(2)
- ☐ Family Fishing corporation s.1(2)
- ☐ Mortgage Investment corporation s.47
- ☐ Credit Union s.51
- ☐ Bank Mortgage subsidiary s.61(4)
- ☐ Bank s.1(2)
- ☐ Loan and Trust corporation s.61(4)
- ☐ Non-resident corporation s.2(2)(a) or (b)
- ☐ Non-resident corporation s.2(2)(c)
- ☐ Mutual Fund corporation s.48
- ☐ Non-resident owned Investment corporation s.49
- ☐ Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- ☐ Bare Trustee corporation
- ☐ Branch of Non-resident s.63(1)
- ☐ Financial institution prescribed by Regulation only
- ☐ Investment Dealer
- ☐ Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- ☒ Hydro successor, municipal electrical utility or subsidiary of either
- ☐ Producer and seller of steam for uses other than for the generation of electricity
- ☐ Insurance Exchange s.74.4
- ☐ Farm Feeder Finance Co-operative corporation
- ☐ Professional corporation (incorporated professionals only)

- ☐ This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.)
- ☐ Amended Return
- ☐ Taxation year end change – Canada Revenue Agency approval required
- ☐ Final taxation year up to dissolution (Note: for discontinued businesses, see guide.)
- ☐ Final taxation year before amalgamation
- ☐ The corporation has a floating fiscal year end
- ☐ There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- ☐ There was an acquisition of control to which subsection 249(4) of the federal *Income Tax Act* (ITA) applies since the previous taxation year
- If checked, date control was acquired

year	month	day
------	-------	-----
- ☐ The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario Schedule 44.)
- ☐ First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.)
- ☐ Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations)

Yes No

- ☐ ☒ Was the corporation inactive throughout the taxation year?
- ☒ ☐ Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?

Are you requesting a refund due to:

- ☐ ☒ the Carry-back of a Loss?
- ☒ ☐ an Overpayment?
- ☐ ☒ a Specified Refundable Tax Credit?
- ☐ ☒ Are you a member of a Partnership or Joint Venture?

Complete if applicable

Ontario Retail Sales Tax Vendor
Permit no. (Use head office no.)Ontario Employer Health Tax
Account no. (Use head office no.)

Specify major business activity

Electricity Distrib

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	- - - - -	± From	690	11,042,113	.
Subtract: Charitable donations	- - - - -	-	1		.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	- - - - -	-	2		.
Subtract: Taxable dividends deductible, per federal Schedule 3	- - - - -	-	3		.
Subtract: Ontario political contributions (Attach Schedule 2A) (Int.B. 3002R)	- - - - -	-	4		.
Subtract: Federal Part VI.1 tax	x 3	- - - - -	5		.
Subtract: Prior years' losses applied – Non-capital losses	- - - - -	- From	704		.
	From 715				
Net capital losses (page 16)	x inclusion rate	50.000000%	=	714	.
Farm losses	- - - - -	- From	724		.
Restricted farm losses	- - - - -	- From	734		.
Limited partnership losses	- - - - -	- From	754		.
Taxable Income (Non-capital loss)	- - - - -	=	10	11,042,113	.

Addition to taxable income for unused foreign tax deduction for federal purposes - - - - - + 11 .

Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11) - - - - - = 20 11,042,113 .

Taxable Income

From 10 (or 20 if applicable)	11,042,113 .	x	30	100.0000%	x	12.5 %	x	33	÷	73	365	=	+	29	.
				Ontario Allocation											
From 10 (or 20 if applicable)	11,042,113 .	x	30	100.0000%	x	14 %	x	34	365 ÷ 73	365	=	+	32	1,545,896 .	
				Ontario Allocation											
Income Tax Payable (before deduction of tax credits)	29 + 32	- - - - -	=	40	1,545,896 .										

Number of Days in Taxation Year

Days after Dec. 31, 2002 and before Jan. 1, 2004

Total Days

Days after Dec. 31, 2003

Total Days

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

If this section is not completed, the IDSBC will be denied.

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X)

☒ Yes ☐ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	- - - - -	50	11,042,113 .
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	11,042,113 .	
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	- 53		
	=	11,042,113 .	54 11,042,113 .
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	- - - - -	55	300,000 .

Ontario Business Limit Calculation

320,000 x	31	÷	** 365	=	+	46	.			
400,000 x	34	365 ÷ ** 365	=	+	47	400,000 .				
Business Limit for Ontario purposes	46 + 47	=	44	400,000 .	x	48	100.0000%	=	45	400,000 .
Income eligible for the IDSBC	- - - - -	From	30	100.0000%	x	56	400,000 .	=	60	400,000 .
				***Ontario Allocation					Least of	50, 54 or 45

* Note: Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

** Note: Adjust accordingly for a floating taxation year and use 366 for a leap year.

*** Note: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

continued on Page 5

DOLLARS ONLY

Additional Deduction for Credit Unions (s.51(4)) (Attach schedule 17)

110 _____.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is \$250,000 or less.

Eligible Canadian Profits _____ + 120 _____.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) _____ - From 56 _____ 400,000.

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 _____ 34,000 ÷ From 30 _____ 100.0000% ÷ From 78 _____ 8.5000% = 121 _____ 400,000.

*Ontario Allocation

Lesser of 56 or 121 _____ + 122 _____ 400,000.

120 - 56 + 122 _____ = 130 _____.

Taxable Income _____ + From 10 _____ 11,042,113.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) _____ - From 56 _____ 400,000.

Add: Adjustments for Surtax on Canadian-controlled private corporations _____ + From 122 _____ 400,000.

Subtract: Taxable Income 10 _____ 11,042,113 X Allocation % to jurisdictions outside Canada _____ % - 140 _____.

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses _____ - 141 _____.

10 - 56 + 122 - 140 - 141 _____ = 142 _____ 11,042,113.

Claim**Number of Days in Taxation Year**

Days after Dec. 31, 2002
and before Jan. 1, 2004

Total Days

143 _____ X From 30 _____ 100.0000% X 1.5% X 33 _____ ÷ 73 _____ 365 _____ = + 154 _____.

Lesser of 130 or 142 _____ Ontario Allocation

Days after Dec. 31, 2003

Total Days

143 _____ X From 30 _____ 100.0000% X 2% X 34 _____ ÷ 73 _____ 365 _____ = + 156 _____.

Lesser of 130 or 142 _____ Ontario Allocation

M&P claim for taxation year 154 + 156 _____ = 160 _____.

* Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1)).

Manufacturing and Processing Profits Credit for Electrical Generating Corporations _____ = 161 _____.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity _____ = 162 _____.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule). _____ - 170 _____.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit 175 _____ Credit Claimed 180 _____.

Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 _____ = 190 _____ 1,545,896.

continued on Page 7

Income Tax *continued from Page 6*
Specified Tax Credits *(Refer to Guide)*
Ontario Innovation Tax Credit (OITC) (s.43.3) *Applies to scientific research and experimental development in Ontario.*

 Eligible Credit From **5620** OITC Claim Form *(Attach original Claim Form)* - - - - - + **191** _____

Co-operative Education Tax Credit (CETC) (s.43.4) *Applies to employment of eligible students.*

 Eligible Credit From **5798** CT23 Schedule 113 *(Attach Schedule 113)* - - - - - + **192** _____

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.

 Name of Production **204**
 Eligible Credit From **5890** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + **193** _____

Graduate Transitions Tax Credit (GTTC) (s.43.6)
Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005.

 No. of Graduates From **6596**
 Eligible Credit From **6598** CT23 Schedule 115 *(Attach Schedule 115)* - - - - - + **194** _____

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.

 Eligible Credit From **6900** OBPTC Claim Form *(Attach both the original Claim Form and the Certificate of Eligibility)* - - - - - + **195** _____

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.

 Eligible Credit From **6700** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + **196** _____

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.

 Eligible Credit From **7100** OBRITC Claim Form *(Attach original Claim Form)* - - - - - + **197** _____

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.

 Eligible Credit From **7300** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + **198** _____

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.

 Eligible Credit From **7400** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + **199** _____

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.

 Eligible Credit From **7500** OSRTC Claim Form *(Attach both the original Claim Form and the Certificate of Eligibility)* - - - - - + **200** _____

Apprenticeship Training Tax Credit (ATTC) (s.43.13)
Applies to employment of eligible apprentices.

 No. of Apprentices From **5896**
 Eligible Credit From **5898** CT23 Schedule 114 *(Attach Schedule 114)* - - - - - + **201** _____

 Other (specify) _____ - - - - - + **202** _____

Total Specified Tax Credits **191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1** = **220** _____

Specified Tax Credits Applied to reduce Income Tax - - - - - = **225** _____

Income Tax **190** - **225** OR Enter NIL if reporting Non-Capital Loss *(amount cannot be negative)* - - - - - = **230** **1,545,896**

 To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on Page 8. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on Page 17.

OR

 If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on Page 8.

Corporate Minimum Tax (CMT)

CT23 Page 8 of 20

DOLLARS ONLY

Total Assets of the corporation - - - - - + [240] 257,647,000 .
Total Revenue of the corporation - - - - - + [241] 42,262,000 .

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an associated group (X) [242] (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets	Total Revenue
			+ [243] .	+ [244] .
			+ [245] .	+ [246] .
			+ [247] .	+ [248] .
Aggregate Total Assets	[240] + [243] + [245] + [247], etc.		= [249] 257,647,000 .	
Aggregate Total Revenue	[241] + [244] + [246] + [248], etc.			= [250] 42,262,000 .

Determination of Applicability

Applies if either Total Assets [249] exceeds \$5,000,000 or Total Revenue [250] exceeds \$10,000,000.

Short Taxation Years – Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation – The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101**.

Calculation: CMT (Attach Schedule 101.)

Gross CMT Payable - - CMT Base From Schedule 101 [2136] 7,084,000 . X From [30] 100.0000 % X 4 % = [276] 283,360 .
If negative, enter zero Ontario Allocation

Subtract: Foreign Tax Credit for CMT purposes (Attach Schedule) - - - - - [277] .

Subtract: Income Tax - - - - - From [190] 1,545,896 .

Net CMT Payable (If negative, enter Nil on Page 17.) - - - - - = [280] -1,262,536 .

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from Page 7 to Income Tax Summary, on Page 17.

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to Page 17 and transfer [280] to Page 17, and to Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.

CMT Credit Carryover available From Schedule 101 - - - - - From [2333] .

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) - - - - - + From [190] 1,545,896 .

Gross CMT Payable - - - - - + From [276] 283,360 .

Subtract: Foreign Tax Credit for CMT purposes - - - - - - From [277] .

If [276] - [277] is negative, enter NIL in [290] = 283,360 .

Income Tax eligible for CMT Credit - - - - - = [300] 1,262,536 .

B. Income Tax (after deduction of specified credits) - - - - - + From [230] 1,545,896 .

Subtract: CMT credit used to reduce income taxes - - - - - - [310] .

Income Tax - - - - - = [320] 1,545,896 .

Transfer to page 17

If A & B apply, [310] cannot exceed the lesser of [230], [300] and your CMT credit carryover available [2333] .

If only B applies, [310] cannot exceed the lesser of [230] and your CMT credit carryover available [2333] .

Capital Tax *(Refer to Guide and Int.B. 3011R)*

If your corporation is a Financial Institution (s.58(2)), complete lines **480** and **430** on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in **480** and **430** are both \$3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in **550** on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be

adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(2)(a) or 2(2)(b), and whose business is not carried on solely in Canada is deemed to be the greater of (1) taxable income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012R and 3015R)	- - - - -	+	350	96,116,000	•
Retained earnings (if deficit, deduct) (Int.B. 3012R)	- - - - -	±	351	24,608,000	•
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	- - - - -	+	352		•
Loans and advances (Attach schedule) (Int.B. 3013R)	- - - - -	+	353	70,000,000	•
Bank loans (Int.B. 3013R)	- - - - -	+	354		•
Bankers acceptances (Int.B. 3013R)	- - - - -	+	355		•
Bonds and debentures payable (Int.B. 3013R)	- - - - -	+	356		•
Mortgages payable (Int.B. 3013R)	- - - - -	+	357		•
Lien notes payable (Int.B. 3013R)	- - - - -	+	358		•
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	- - - - -	+	359	9,976,000	•
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	- - - - -	+	360		•
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)	- - - - -	+	361	25,712,000	•
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	- - - - -	+	362		•
Subtotal	- - - - -	=	370	226,412,000	•
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)	- - - - -	-	371		•
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	- - - - -	-	372		•
Total Paid-up Capital	- - - - -	=	380	226,412,000	•
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	- - - - -	-	381		•
Electrical Generating Corporations Only – All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	- - - - -	-	382		•
Net Paid-up Capital	- - - - -	=	390	226,412,000	•

Eligible Investments *(Refer to Guide and Int.B. 3015R)*

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	- - - - -	+	402		•
Mortgages due from other corporations	- - - - -	+	403		•
Shares in other corporations (certain restrictions apply) (Refer to Guide)	- - - - -	+	404		•
Loans and advances to unrelated corporations	- - - - -	+	405		•
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	- - - - -	+	406		•
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	- - - - -	+	407		•
Total Eligible Investments	- - - - -	=	410		•

continued on Page 10

Total Assets (Int.B. 3015R)

DOLLARS ONLY

Total Assets per balance sheet	- - - - -	+	420	257,647,000
Mortgages or other liabilities deducted from assets	- - - - -	+	421	
Share of partnership(s)/joint venture(s) total assets (Attach schedule)	- - - - -	+	422	
Subtract: Investment in partnership(s)/joint venture(s)	- - - - -	-	423	
Total Assets as adjusted	- - - - -	=	430	257,647,000
Amounts in 360 and 361 (if deducted from assets)	- - - - -	+	440	
Subtract: Amounts in 371, 372 and 381	- - - - -	-	441	
Subtract: Appraisal surplus if booked	- - - - -	-	442	
Add or Subtract: Other adjustments (specify on an attached schedule)	- - - - -	+	443	
Total Assets	- - - - -	=	450	257,647,000

Investment Allowance	(410 ÷ 450) × 390	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - 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Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	- - -	480	42,262,000
Total Assets (as adjusted)	- - - - -	From 430	257,647,000

Calculation of Capital Tax for all Corporations except Financial Institutions**Note:** This version (2006) of the CT23 may only be used for a taxation year that commenced after December 31, 2003.

Financial Institutions use calculations on page 13.

Important:

If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.

- OR** If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.
- OR** If the corporation is a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

Calculation of Taxable Capital Deduction (TCD)

Number of Days in Taxation Year					
5,000,000 ×	Days before Jan. 1, 2005	Total Days	= +	500	
	35	365			
7,500,000 ×	Days after Dec. 31, 2004 and before Jan. 1, 2006	Total Days	= +	501	7,500,000
	36	365			
10,000,000 ×	Days after Dec. 31, 2005 and before Jan. 1, 2007	Total Days	= +	502	
	37	365			
Taxable Capital Deduction (TCD)		500 + 501 + 502	=	503	7,500,000

SECTION CThis section applies if the corporation is **not** a member of an associated group and/or partnership.

- C1.** If 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.
- C2.** If Taxable Capital in 470 is equal to or less than the TCD in 503, enter NIL in 550 on page 12 and complete the return from that point.
- C3.** If Taxable Capital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.

$$\begin{aligned}
 &+ \text{From } 470 \quad \underline{\hspace{2cm}} \\
 &- \text{From } 503 \quad \underline{\hspace{2cm}} \\
 &= \quad 471 \quad \underline{\hspace{2cm}} \times \text{From } 30 \quad 100.0000\% \times 0.3\% \times \frac{\text{Days in taxation year}}{365} \quad \frac{555}{365} \quad \underline{\hspace{2cm}} = + \quad 523 \quad \underline{\hspace{2cm}}
 \end{aligned}$$

Ontario Allocation 365 (366 if leap year) Transfer to 543 on page 12 and complete the return from that point

If floating taxation year, refer to Guide.

continued on Page 11

Capital Tax Calculation *continued from Page 10*

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either ☐ 509 or ☐ 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

D1. ☐ 509 (X if applicable) All corporations that you are associated with do **not** have a permanent establishment in Canada.
If Taxable Capital ☐ 470 on page 10 is equal to or less than the TCD ☐ 503 on page 10, enter NIL in ☐ 550 on page 12 and complete the return from that point.
If Taxable Capital ☐ 470 on page 10 exceeds the TCD ☐ 503 on page 10, proceed to **Section E**, enter the TCD amount in ☐ 542 in Section E, and complete Section E and the return from that point.

D2. ☒ 524 (X if applicable) One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.
You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.
The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.
In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do not complete this calculation if ss.69(2.1) election is filed

Taxable Capital From ☐ 470 on page 10 - - - - - + From ☐ 470 226,412,000 •

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
The Corporation of the City of London			+ <input type="checkbox"/> 531 •
			+ <input type="checkbox"/> 532 •
			+ <input type="checkbox"/> 533 •
Aggregate Taxable Capital <input type="checkbox"/> 470 + <input type="checkbox"/> 531 + <input type="checkbox"/> 532 + <input type="checkbox"/> 533, etc.			= <input type="checkbox"/> 540 226,412,000 •

If ☐ 540 above is equal to or less than the TCD ☐ 503 on page 10, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in ☐ 523 in section E on page 12, as applicable.

If ☐ 540 above is greater than the TCD ☐ 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From ☐ 470 226,412,000 • ÷ From ☐ 540 226,412,000 • X From ☐ 503 7,500,000 • = ☐ 541 7,500,000 •

Transfer to ☐ 542 in Section E on page 12

Ss.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed. Attach a copy of Schedule 591 with this CT23 Return.**
Proceed to **Section F** on page 12.

continued on Page 12

Capital Tax *continued from Page 12*
Calculation of Capital Tax for Financial Institutions
1.1 Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in **[550]** on page 12, and complete the return from that point.

1.2 Other than Credit Unions

(Retain details of calculations for amounts in boxes **[565]** and **[570]**. Do not submit with this tax return.)

$$\begin{array}{l}
 \text{[565]} \quad \text{Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1} \quad \times \quad 0.6 \% \quad \times \quad \text{From } \text{[30]} \quad \text{[100.0000]} \% \quad \times \quad \frac{\text{Days in taxation year } \text{[555]} \quad 365}{365} \quad (366 \text{ if leap year}) = + \text{[569]} \\
 \text{Ontario Allocation}
 \end{array}$$

$$\begin{array}{l}
 \text{[570]} \quad \text{Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount} \quad \times \quad \text{[571]} \quad \text{Capital Tax Rate (Refer to Guide)} \quad \times \quad \frac{\text{Days in taxation year } \text{[555]} \quad 365}{365} \quad (366 \text{ if leap year}) = + \text{[574]} \\
 \text{Ontario Allocation}
 \end{array}$$

$$\text{Capital Tax for Financial Institutions – other than Credit Unions (before Section 2)} \quad \text{[569]} + \text{[574]} - - = \text{[575]}$$

* If floating taxation year, refer to Guide.

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

$$\begin{array}{l}
 \text{Allowable Credit for Eligible Investments} \quad - - - - - \quad - \quad \text{[585]} \\
 \text{Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) } \quad \text{[] Yes}
 \end{array}$$

$$\text{Capital Tax - Financial Institutions} \quad \text{[575]} - \text{[585]} - - - - - = \text{[586]}$$

Transfer to **[543]** on Page 12

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

$$\begin{array}{l}
 (1) \text{ Uninsured Benefits Arrangements} \quad - - - - - \text{[587]} \quad \times \quad 2 \% \quad - - = \text{[588]} \\
 \text{Applies to Ontario-related uninsured benefits arrangements.}
 \end{array}$$

$$\begin{array}{l}
 (2) \text{ Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)} \\
 \text{Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.}
 \end{array}$$

$$\text{Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)} \quad - - - - - \quad - \quad \text{[589]}$$

$$\text{Premium Tax} \quad \text{[588]} - \text{[589]} - - - - - = \text{[590]}$$

Transfer to page 17

DOLLARS ONLY

**Reconcile net income (loss) for federal income tax purposes
with net income (loss) for Ontario purposes if amounts differ**

Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1

± 600 11,042,113
Transfer to Page 15

Add:

Federal capital cost allowance	- - - - -	+	601	12,127,562	.
Federal cumulative eligible capital deduction	- - - - -	+	602		.
Ontario taxable capital gain	- - - - -	+	603		.
Federal non-allowable reserves. Balance beginning of year	- - - - -	+	604		.
Federal allowable reserves. Balance end of year	- - - - -	+	605		.
Ontario non-allowable reserves. Balance end of year	- - - - -	+	606		.
Ontario allowable reserves. Balance beginning of year	- - - - -	+	607		.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	- - - - -	+	608		.
Federal resource allowance (Refer to Guide)	- - - - -	+	609		.
Federal depletion allowance	- - - - -	+	610		.
Federal foreign exploration and development expenses	- - - - -	+	611		.
All Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide)	- - - - -	+	617		.
Management fees, rents, royalties and similar payments to non-arms' length non-residents ▼					

Number of Days in Taxation Year

$$612 \times 5 / 12.5 \times \left(\frac{\text{Days after Dec. 31, 2002 and before Jan. 1, 2004}}{73} \right) \div 365 = + 633$$

$$612 \times 5 / 14 \times \left(\frac{\text{Days after Dec. 31, 2003}}{34} \right) \div 365 = + 634$$

Total add-back amount for Management fees, etc. 633 + 634 = 613

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661
excluding any negative amount in 473 from Ont. CT23 Schedule 161 + 615

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616

Federal allowable business investment loss + 620

Total of other items not allowed by Ontario but allowed federally (Attach schedule) + 614

Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 = 12,127,562 640 12,127,562
Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	- - - - -	+	650	12,127,562	.
Ontario cumulative eligible capital deduction	- - - - -	+	651		.
Federal taxable capital gain	- - - - -	+	652		.
Ontario non-allowable reserves. Balance beginning of year	- - - - -	+	653		.
Ontario allowable reserves. Balance end of year	- - - - -	+	654		.
Federal non-allowable reserves. Balance end of year	- - - - -	+	655		.
Federal allowable reserves. Balance beginning of year	- - - - -	+	656		.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	- - - - -	+	657		.
Ontario depletion allowance	- - - - -	+	658		.
Ontario resource allowance (Refer to Guide)	- - - - -	+	659		.
Ontario current cost adjustment (Attach schedule)	- - - - -	+	661		.
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	- - - - -	+	675		.

Subtotal of deductions for this page 650 to 659 + 661 + 675 = 681 12,127,562
Transfer to Page 15

continued on Page 15

**Reconcile net income (loss) for federal income tax purposes with net income (loss)
for Ontario purposes if amounts differ**
continued from Page 14

Net Income (loss) for federal income tax purposes, per federal Schedule 1 - - - - - From \pm **600** 11,042,113.

Total of Additions on page 14 - - - - - From $=$ **640** 12,127,562.

Sub Total of deductions on page 14 - - - - - From $=$ **681** 12,127,562.
Deduct:
Ontario New Technology Tax Incentive (ONTTI) Gross-up
(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year - - - **662** .
ONTTI Gross-up deduction calculation:

$$\left[\begin{array}{l} \text{From } \mathbf{662} \text{ } \cdot \times \\ \text{From } \mathbf{30} \text{ } \frac{100.0000}{100} \end{array} \right] - \text{From } \mathbf{662} \text{ } \cdot = \mathbf{663} \text{ } \cdot$$

Gross-up of CCA
Ontario Allocation

Workplace Child Care Tax Incentive (WCCT)
(Applies to eligible expenditures incurred prior to January 1, 2005.)

$$\text{Qualifying expenditures: } \left[\mathbf{665} \text{ } \cdot \times 30\% \times \frac{100}{100.0000} \right] = \mathbf{666} \text{ } \cdot$$

Ontario allocation

Workplace Accessibility Tax Incentive (WATI)
(Applies to eligible expenditures incurred prior to January 1, 2005.)

$$\text{Qualifying expenditures: } \left[\mathbf{667} \text{ } \cdot \times 100\% \times \frac{100}{100.0000} \right] = \mathbf{668} \text{ } \cdot$$

Ontario allocation

Number of Employees accommodated **669** .
Ontario School Bus Safety Tax Incentive (OSBSTI)
(Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)

$$\text{Qualifying expenditures: } \left[\mathbf{670} \text{ } \cdot \times 30\% \times \frac{100}{100.0000} \right] = \mathbf{671} \text{ } \cdot$$

Ontario allocation

Educational Technology Tax Incentive (ETTI)
(Applies to eligible expenditures incurred prior to January 1, 2005.)

$$\text{Qualifying expenditures: } \left[\mathbf{672} \text{ } \cdot \times 15\% \times \frac{100}{100.0000} \right] = \mathbf{673} \text{ } \cdot$$

Ontario allocation

Ontario allowable business investment loss - - - - - $+$ **678** .

Ontario Scientific Research Expenses claimed in year in **477** from Ont. CT23 Schedule 161 $+$ **679** .

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) - - - - - $+$ **677** .

Total of other deductions allowed by Ontario (Attach schedule) - - - - - $+$ **664** .
Total of Deductions **681** $+$ **663** $+$ **666** $+$ **668** $+$ **671** $+$ **673** $+$ **678** $+$ **679** $+$ **677** $+$ **664** $=$ 12,127,562. **680** 12,127,562.
Net income (loss) for Ontario Purposes **600** $+$ **640** $-$ **680** $=$ **690** 11,042,113.
Transfer to Page 4

DOLLARS ONLY

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2)	710 (2)	720 (2)	730	740	750
Add: Current year's losses (7)	701	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	703	713	723	733	743	753
Subtract: Utilized during the year to reduce taxable income	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Expired during the year	705		725	735	745	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
Subtotal	707	717	727	737	747	757
Balance at End of Year	709 (8)	719	729	739	749	759

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1997-09-30	817 (9)	860 (9)		850	870
801 8th preceding taxation year 1998-09-30	818 (9)	861 (9)		851	871
802 7th preceding taxation year 1999-09-30	819 (9)	862 (9)		852	872
803 6th preceding taxation year 2000-09-30	820	830	840	853	873
804 5th preceding taxation year 2001-09-30	821	831	841	854	874
805 4th preceding taxation year 2001-12-31	822	832	842	855	875
806 3rd preceding taxation year 2002-12-31	823	833	843	856	876
807 2nd preceding taxation year 2003-12-31	824	834	844	857	877
808 1st preceding taxation year 2004-12-31	825	835	845	858	878
809 Current taxation year 2005-12-31	826	836	846	859	879
Total	829	839	849	869	889

Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

London Hydro Inc.

1800266

2005-12-31

DOLLARS ONLY

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Ministry of Finance.**

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
 - 1) the first day of the taxation year after the loss year,
 - 2) the day on which the corporation's return for the loss year is delivered to the Minister, or
 - 3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF) 901 Taxation Year Ending year month day 2002-12-31	911	921	931	941
i) 3 rd preceding 902 2003-12-31	912	922	932	942
ii) 2 nd preceding 903 2004-12-31	913	923	933	943
iii) 1 st preceding	From 706	From 716	From 726	From 736
Total loss to be carried back				
Balance of loss available for carry-forward	919	929	939	949

Summary

Income Tax	- - - - - + From 230 or 320	1,545,896 •
Corporate Minimum Tax	- - - - - + From 280	•
Capital Tax	- - - - - + From 550	656,736 •
Premium Tax	- - - - - + From 590	•
Total Tax Payable	- - - - - = 950	2,202,632 •
Subtract: Payments	- - - - - - 960	2,481,285 •
Capital Gains Refund (s.48)	- - 965	•
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- 985	•
Specified Tax Credits (Refer to Guide)	- - - - - - 955	•
Other, specify	-	•
Balance	- - - - - = 970	-278,653 •
If payment due	- - - - - Enclosed * 990	•
If overpayment: Refund (Refer to Guide)	- - - - - = 975	278,653 •
year month day		
Apply to	980	(Includes credit interest)

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

John Stephenson

Title

C.F.O.

Full Residence Address

111 Horton Street

London

ON CA N6A 4H6

Signature

Date

2006-06-28

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. (Refer to Guide for other payment methods.)

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Page 1 of 3

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
London Hydro Inc.	1800266	2005-12-31

Part 1: Calculation of CMT Base

Banks – Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Life insurance corporations – Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ± 2100 5,175,000.

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes / benefit of current income taxes + 2101
Provision for deferred income taxes (credits) / benefit of future income taxes + 2102 2,554,000.
Equity income from corporations + 2103
Share of partnership(s)/joint venture(s) income + 2104
Dividends received/receivable deductible under fed.s.112 + 2105
Dividends received/receivable deductible under fed.s.113 + 2106
Dividends received/receivable deductible under fed.s.83(2) + 2107
Dividends received/receivable deductible under fed.s.138(6) + 2108
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) x 3 + 2109

Subtotal = 2,554,000. ▶ - 2110 2,554,000.

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes + 2111 4,463,000.
Provision for deferred income taxes (debits) / cost of future income taxes + 2112
Equity losses from corporations + 2113
Share of partnership(s)/joint venture(s) losses + 2114
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) ... + 2115

Subtotal = 4,463,000. ▶ + 2116 4,463,000.

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85 + 2117 or - 2118
** Fed.s.85.1 + 2119 or - 2120
** Fed.s.97 + 2121 or - 2122
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years + 2123 or - 2124
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years + 2125 or - 2126
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years ... + 2127 or - 2128

Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income - 2150

Subtotal (Additions) = + 2129

Subtotal (Subtractions) = - 2130

** Other adjustments ± 2131

Subtotal ± 2100 - 2110 + 2116 + 2129 - 2130 ± 2131 = 2132 7,084,000.

** Share of partnership(s)/joint venture(s) **adjusted** net income/loss ± 2133

Adjusted net income (loss) (if loss, transfer to 2202 in Part 2: Continuity of CMT Losses Carried Forward.) = 2134 7,084,000.

Deduct: * CMT losses: pre-1994 Loss + From 2210

* CMT losses: other eligible losses + 2211

..... = ▶ - 2135

* CMT losses applied cannot exceed adjusted net income or increase a loss

** Retain calculations. Do not submit with this schedule.

CMT Base = 2136 7,084,000.

Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8

Corporate Minimum Tax (CMT)

CT23 Schedule 101

Corporation's Legal Name London Hydro Inc.	Ontario Corporations Tax Account No. (MOF) 1800266	Taxation Year End 2005-12-31
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Part 2: Continuity of CMT Losses Carried Forward

Balance at Beginning of year NOTES (1), (2) + 2201 []

Add: Current year's losses + 2202 []

Losses from predecessor corporations on amalgamation NOTE (3) + 2203 []

Losses from predecessor corporations on wind-up NOTE (3) ... + 2204 []

Amalgamation (X) 2205 ☐ Yes Wind-up (X) 2206 ☐ Yes

Subtotal = [] + 2207 []

Adjustments (attach schedule) ± 2208 []

CMT losses available 2201 + 2207 ± 2208 = 2209 []

Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income + 2210 []

Other eligible losses utilized during the year to reduce adjusted net income NOTE (4) + 2211 []

Losses expired during the year + 2212 []

Subtotal = [] - 2213 []

Balances at End of Year NOTE (5) 2209 - 2213 = 2214 []

- Notes:**
- (1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.
- (2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and a 57.5(7))
- (3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))
- (4) CMT losses must be used to the extent of the lesser of the adjusted net income 2134 and CMT losses available 2209.
- (5) Amount in 2214 must equal sum of 2270 + 2290.

Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 1997-09-30	2260	2280
2241	8th preceding taxation year 1998-09-30	2261	2281
2242	7th preceding taxation year 1999-09-30	2262	2282
2243	6th preceding taxation year 2000-09-30	2263	2283
2244	5th preceding taxation year 2001-09-30	2264	2284
2245	4th preceding taxation year 2001-12-31	2265	2285
2246	3rd preceding taxation year 2002-12-31	2266	2286
2247	2nd preceding taxation year 2003-12-31	2267	2287
2248	1st preceding taxation year 2004-12-31	2268	2288
2249	Current taxation year 2005-12-31	2269	2289
Totals		2270	2290

The sum of amounts 2270 + 2290
must equal amount in 2214.

Corporate Minimum Tax (CMT)

CT23 Schedule 101

Corporation's Legal Name London Hydro Inc.	Ontario Corporations Tax Account No. (MOF) 1800266	Taxation Year End 2005-12-31
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Part 4: Continuity of CMT Credit Carryovers

Balance at Beginning of year NOTE (1) + 2301

Add: Current year's CMT Credit (280 on page 8 of the CT23
or 347 on page 6 of the CT8. If negative, enter NIL) + From 280 or 347

Gross Special Additional Tax NOTE (2) 312 on page 5 of CT8.

(Life Insurance corporations only.

Others enter NIL.) + From 312

Subtract Income Tax

(190 on page 6 of the CT23 or
page 4 of the CT8) - From 190

Subtotal (If negative, enter NIL) ... = 2305

Current year's CMT credit (If negative, enter NIL) 280 or 347 - 2305 ... = 2310

CMT Credit Carryovers from predecessor corporations NOTE (3) + 2325

Amalgamation (X) 2315 ☐ Yes Wind-up (X) 2320 ☐ Yes

Subtotal 2301 + 2310 + 2325 = 2330

Adjustments (Attach schedule) ± 2332

CMT Credit Carryover available 2330 ± 2332 = 2333

Transfer to Page 8 of the CT23 or Page 6 of the CT8

Subtract: CMT Credit utilized during the year to reduce income tax

(310 on page 8 of the CT23 or 351 on page 6 of the CT8.) + From 310 or 351

CMT Credit expired during the year + 2334

Subtotal = 2335

Balances at End of Year NOTE (4) 2333 - 2335 = 2336

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).

(3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(4) Amount in 2336 must equal sum of 2370 + 2390.

Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	9th preceding taxation year 1997-09-30	2360	2380
2341	8th preceding taxation year 1998-09-30	2361	2381
2342	7th preceding taxation year 1999-09-30	2362	2382
2343	6th preceding taxation year 2000-09-30	2363	2383
2344	5th preceding taxation year 2001-09-30	2364	2384
2345	4th preceding taxation year 2001-12-31	2365	2385
2346	3rd preceding taxation year 2002-12-31	2366	2386
2347	2nd preceding taxation year 2003-12-31	2367	2387
2348	1st preceding taxation year 2004-12-31	2368	2388
2349	Current taxation year 2005-12-31	2369	2389
Totals		2370	2390

The sum of amounts 2370 + 2390
must equal amount in 2336.

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name London Hydro Inc.	Ontario Corporations Tax Account No. (MOF) 1800266	Taxation Year End 2005-12-31
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CMT Losses Carried Forward Workchart

(i) Continuity of Pre-1994 CMT Losses

	Corporation's Pre-1994 Loss	Predecessors' Pre-1994 Loss Amalgamation	Wind-Up
Date of the last tax year end before the corp's 1st tax year commencing after 1993			
Pre-1994 Loss (per schedule)			
Less: Claimed in prior taxation years commencing after 1993			
Pre-1994 Loss available for the current year			
Less: Deducted in the current year			
(max. = adj. net income for the year)			
Expired after 10 years			
Pre-1994 Loss Carryforward			

(ii) Continuity of Other Eligible CMT Losses – Filing Corporation
(for losses occurring in tax years commencing after 1993)

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1996-09-30					
9th Prior Year	1997-09-30					
8th Prior Year	1998-09-30					
7th Prior Year	1999-09-30					
6th Prior Year	2000-09-30					
5th Prior Year	2001-09-30					
4th Prior Year	2001-12-31					
3rd Prior Year	2002-12-31					
2nd Prior Year	2003-12-31					
1st Prior Year	2004-12-31					
Total						

Predecessor Corporations Only – Amalgamation

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
London Hydro Inc.	1800266	2005-12-31

CMT Losses Carried Forward Workchart (continued)

Predecessor Corporations Only – Wind-Up

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name London Hydro Inc.	Ontario Corporations Tax Account No. (MOF) 1800266	Taxation Year End 2005-12-31
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CMT Credit Carryovers Workchart

Filing Corporation

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1996-09-30					
9th Prior Year	1997-09-30					
8th Prior Year	1998-09-30					
7th Prior Year	1999-09-30					
6th Prior Year	2000-09-30					
5th Prior Year	2001-09-30					
4th Prior Year	2001-12-31					
3rd Prior Year	2002-12-31					
2nd Prior Year	2003-12-31					
1st Prior Year	2004-12-31					
	Total					

Predecessor Corporations Only – Amalgamation

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Predecessor Corporations Only – Wind-Up

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						



Ministry of Finance
Corporations Tax Branch
PO Box 620
33 King Street West
Oshawa ON L1H 8E9

Ontario Capital Cost Allowance Schedule 8

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
London Hydro Inc.	1800266	2005-12-31

Is the corporation electing under regulation 1101(5q)?

1 ☐ Yes 2 ☒ No

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	109,255,609	368,745		0	109,624,354	184,373	109,439,981	4	0	0	4,377,599	105,246,755
2	55,699,224			70,246	55,628,978		55,628,978	6	0	0	3,337,739	52,291,239
3	5,807,219			89,031	5,718,188		5,718,188	5	0	0	285,909	5,432,279
8	4,644,701	228,296		0	4,872,997	114,148	4,758,849	20	0	0	951,770	3,921,227
10	3,708,058	1,239,874		5,000	4,942,932	617,437	4,325,495	30	0	0	1,297,649	3,645,283
12	927,796	1,126,412		0	2,054,208	563,206	1,491,002	100	0	0	1,491,002	563,206
47		9,647,347		0	9,647,347	4,823,674	4,823,673	8	0	0	385,894	9,261,453
Totals	180,042,607	12,610,674		164,277	192,489,004	6,302,838	186,186,166				12,127,562	180,361,442

Enter in boxes 650 650 650 on the CT23.

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4 Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Corporate Taxpayer Summary

Corporate information

Corporation's name: London Hydro Inc.

Taxation Year: 2005-01-01 to 2005-12-31

Jurisdiction: Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Corporation is associated: Y Number of associated corporations: 1

Corporation is related: Y Type of corporation: Canadian-Controlled Private Corporation

Summary of federal information

Net income: 11,042,113 Calculation of income from an active business carried on in Canada: 11,042,113

Taxable income: 11,042,113 Dividends paid: _____

Donations: _____

Credits against part I tax

Federal taxes

Refunds/credits

Small business deduction	_____	Part I	<u>2,318,844</u>	ITC refund	_____
M&P deduction	_____	Surtax	<u>123,672</u>	Dividends refund ..	_____
Foreign tax credit	_____	Part I.3	<u>162,329</u>	Instalments	<u>2,604,845</u>
Political contributions ..	_____	Part IV	_____	Surtax credit	<u>123,672</u>
Investment tax credits ..	_____	Part I & Surtax ...	<u>2,442,516</u>	Other*	_____
Abatement/Other*	<u>1,877,159</u>	Other*	_____		

Balance due/refund (–) _____

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of federal carryforward/carryback information

Carryback amounts

Investment tax credits	_____	Restricted farm loss	_____
Non-capital loss	_____	Surtax credit	_____
Capital loss	_____	Part I tax credit (Schedule 42)	_____
Farm loss	_____	Federal foreign non-business income tax credit ..	_____

Carryforward balances

RDTOH	_____	Foreign business tax credit	_____
Charitable donations	_____	Unused surtax credit	_____
Gifts to Canada, a province or a territory	_____	Capital dividend amount	_____
Gifts of certified cultural property	_____	Part I tax credit (Schedule 42)	<u>5,024,211</u>
Gifts of certified ecologically sensitive land	_____	Cumulative eligible capital	_____
Investment tax credits	_____	Capital gains reserves	_____
Non-capital losses	_____	Financial statement reserve	_____
Capital/L.P.P. losses	_____	Other reserves	_____
Farm losses	_____	Balance of patronage dividends	_____
Restricted farm losses	_____	Continuity of exemption of accumulated income	_____

Summary of provincial information – provincial income tax payable

	Ontario (CT-23)	Québec (CO-17)	Alberta (AT1)
% Allocation	100.00		
Attributed taxable income	11,042,113		
Tax payable before deduction*	1,545,896		
Deductions and credits			
Net tax payable	1,545,896		
Attributed taxable capital	226,412,000		N.A.
Capital tax payable**	656,736		N.A.
Total tax payable***	2,202,632		
Instalments and refundable credits ...	2,481,285		
Balance due/Refund (-)	-278,653		

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes corporate minimum tax and premium tax.

	British Columbia	Saskatchewan	Manitoba
% Allocation			
Attributed taxable income			
Tax payable before deduction			
Deductions and credits			
Net income tax to pay (refer to Schedule 5 and to the T2)			
Attributed taxable capital			
Capital tax payable			
Instalments and refundable credits ...			
Balance due/Refund (-)			

	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick
% Allocation				
Attributed taxable income				
Tax payable before deduction				
Deductions and credits				
Net income tax to pay (refer to Schedule 5 and to the T2)				
Attributed taxable capital				
Capital tax payable				
Instalments and refundable credits ...				
Balance due/Refund (-)*				

* Only applies in the case of bank, a loan corporation or a trust corporation.

	Yukon	Northwest Territories	Nunavut
% Allocation			
Attributed taxable income			
Tax payable before deduction			
Deductions and credits			
Net income tax to pay (refer to Schedule 5 and to the T2)			

Summary of provincial carryforward amounts

	Ontario	Québec	Alberta
Non-capital losses			
Net capital/L.P.P. losses			
Farm losses			
Restricted farm losses			
Donations			
Capital gains reserves			
Financial statement reserves			
Other reserves			
Eligible capital			
Other carryforward amounts:			
Scientific research and experimental development – Sch. 425			
Manufacturing and processing – Sch. 426			
Research and development – Sch. 380			
Manufacturing investment – Sch. 381			
Co-operative education – Sch. 384			
Odour control – Sch. 385			
Manufacturing and processing – Sch. 401			
Manufacturing and processing investment – Sch. 402			
Research and development – Sch. 403			
Direct equity tax – Sch. 303			
Investment – Ann. 321			
Manufacturing and processing investment – Sch. 344			
Research and development – Sch. 360			
Investment – Sch. 480			
Foreign non-business income tax credits – L422			
Continuity of other eligible CMT losses – Filling Corporation – OCMT101			
Predecessor corporations only – Amalgamation – OCMT101			
Predecessor corporations only – Wind-up – OCMT101			
CMT credit carryovers workchart - Filling Corporation – OCMT101			
CMT credit carryovers workchart - Predecessor corporations only – Amalgamation			
CMT credit carryovers workchart - Wind-up – OCMT101			
Continuity Schedule for Federal ITC relating to SR&ED Expenditures for the Preceding Taxation Year - O161 ..			
Continuity Schedule for the Amount of Federal ITC from SR&ED Expenditures relating to QORD for the Preceding Taxation Year - O161			

Five Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information					
Taxation year end	2005-12-31	2004-12-31	2003-12-31	2002-12-31	2001-12-31
Net income	11,042,113	8,843,403	5,035,885	2,540,182	-4,873,810
Taxable income	11,042,113	8,843,403	2,702,257		
Active business income ..	11,042,113	8,843,403	5,035,885	2,540,182	
Dividends paid					
Donations					
Balance due/refund (-) ..		13,870			-3,654

Federal taxes					
Part I	2,318,844	1,857,115	595,269		
Surtax	123,672	99,046	30,265		
Part I.3	162,329	205,606	396,061	433,172	96,346
Part IV					
Part I & Surtax	2,442,516				
Other*					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Credits against part I tax					
Small business deduction			36,000		
M&P deduction					
Foreign tax credit					
Political contribution					
Investment tax credit					
Abatement/other*	1,877,159	884,340	270,226		
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Refunds/credits					
ITC refund					
Dividend refund					
Instalments	2,604,845	2,147,897	1,021,595	433,172	100,000
Surtax credit	123,672				
Other*					
* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.					

Ontario					
Taxable income	11,042,113	8,843,403	2,702,257		
Income tax payable before deduction	1,545,896	1,238,076	337,782		
Income tax deductions /credits					
Net income tax payable ..	1,545,896	1,238,076	337,782		
Taxable capital	226,412,000	223,069,000	209,763,000	214,132,975	196,375,793
Capital tax payable	656,736	654,207	614,289	627,399	144,712
Total tax payable*	2,202,632	1,781,185	904,969	785,599	144,712
Instalments and refundable credits	2,481,285				
Balance due/refund	-278,653		-173,436	69,829	-190,288
* This includes corporate minimum tax and premium tax.					

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

For agency use
[055]

[001] 86483 7430 RC 0001

[060] 2005 01 01

[061] 2005 12 31

[099] EP05

XXXXXXXXXXXX

[002] London Hydro Inc.

[003] 2

[004] _____

XXXXXXXXXXXX

[010]@ 2

[011] _____

[012] _____

[015] _____

[016] _____

[017] _____

[018] _____

[020]@ 2

[021] _____

[022] _____

[023] _____

[025] _____

[026] _____

[027] _____

[028] _____

For agency use

[091] _____

[092] _____

[093] _____

For agency use

[094] _____

[095] _____

[096] _____

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[030] @ 2

[031] _____

[032] _____

[035] _____

[036] _____

[037] _____

[038] _____

XXXXXXXXXXXX

[040] 1

[043] _____

[063] 2

[065] _____

[067] 2

[070] 2

[071] 2

[072] 2

[076] 2

[078] 2

[080] 1

[081] _____

[082] 2

[085] _____

[150] 1

[151] _____

[160] 1

[161] _____

[162] _____

[163] _____

[164] _____

[165] _____

[166] _____

[167] _____

[168] _____

[169] _____

[170] _____

[171] _____

[172] _____

[173] 1

[201] 1

[202] _____

[203] _____

[204] _____

[205] _____

[206] _____

[207] _____

[208] 1

[210] _____

[212] _____

[213] _____

[216] _____

[217] _____

[218] _____

[220] _____

[221] _____

[226] _____

[227] _____

[231] _____

[232] _____

[233] 1

[236] 1

[237] _____

[238] _____

[242] _____

[243] _____

[244] _____

[249] _____

[250] _____

[253] _____

[254] _____

[255] _____

[256] _____

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[258]	_____	[284]	Electricity Dist
[259]	_____	[286]	_____
[260]	_____	[288]	_____
[261]	_____	[285]	100
[262]	_____	[287]	_____
[263]	_____	[289]	_____
[264]	_____	[950]	Stephenson
[291]	2	[951]	John
[292]	2	[954]	C.F.O.
[370]	_____	[955]	2006 06 28
[435]	_____	[956]	519 661 5800
[438]	_____	[957]	1
[624]	_____	[958]	_____
[646]	_____	[959]	_____
[750]	ON		XXXXXXXXXXXX
[801]	_____		
[815]	_____		
[894]	_____		
[896]	2		
[898]	_____		
[910]	_____		
[914]	_____		
[918]	_____		
[990]	1		
	XXXXXXXXXXXX		
[280]	2		
[281]	2		
[282]	_____		
[283]	_____		

T2-RETURN AND SCHEDULE INFORMATION

200

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[300]	11 042 113	[440]	_____	[652]	_____
[311]	_____	[445]	_____	[700]	2 442 516
[312]	_____	[450]	_____		XXXXXXXXXXXXX
[313]	_____	[600]	123 672		
[314]	_____	[632]	_____	[704]	162 329
[320]	_____	[636]	_____	[708]	_____
[325]	_____	[780]	_____	[716]	_____
[331]	_____		XXXXXXXXXXXXX	[720]	_____
[332]	_____			[724]	_____
[333]	_____	[460]	_____	[727]	_____
[334]	_____	[465]	_____	[728]	_____
[335]	_____	[480]	_____	[760]	_____
[340]	_____	[485]	_____	[765]	_____
[350]	_____	[712]	_____	[770]	2 604 845
[355]	_____		XXXXXXXXXXXXX		XXXXXXXXXXXXX
[360]	11 042 113				
	XXXXXXXXXXXXX	[550]	4 196 003	[784]	_____
		[602]	_____	[788]	_____
[400]	11 042 113	[604]	_____	[792]	_____
[405]	11 042 113	[608]	1 104 211	[796]	_____
[410]	300 000	[616]	_____	[797]	_____
[425]	_____	[620]	_____	[800]	_____
[430]	_____	[628]	_____	[804]	_____
	XXXXXXXXXXXXX	[637]	_____	[808]	_____
		[638]	772 948	[812]	_____
[415]	432 734	[639]	_____	[816]	_____
	XXXXXXXXXXXXX	[640]	_____	[840]	2 604 845
		[644]	_____	[890]	2 604 845
		[648]	_____		XXXXXXXXXXXXX

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

Certification

I, John Stephenson am an authorized signing officer of the corporation. I certify that the following amounts are, to the best of my knowledge, correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return for the taxation year noted above.

Net income (or loss) for income tax purposes from Schedule 001, or GIF1 [line 200300]	11 042 113
Part I tax payable [line 200700]	2 442 516
Part I.3 tax payable [line 200704]	162 329
Part II surtax payable [line 200708]	0
Part IV tax payable [line 200712]	0
Part IV.1 tax payable [line 200716]	0
Part VI tax payable [line 200720]	0
Part VI.1 tax payable [line 200724]	0
Part XIV tax payable [line 200728]	0
Net provincial and territorial tax payable [line 200760]	0
Provincial tax on large corporations [line 200765]	0

I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

2006-06-28

C.F.O.

Date

Signature of an authorized signing officer of the corporation

Position, office or rank

T2-RETURN AND SCHEDULE INFORMATION

001

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[600] Recovery of regulatory amounts previously expensed

[601] Ontario Capital Tax expensed for accounting

[602] _____

[603] _____

[604] _____

[700] PST assessments paid not deducted for accounting

[701] Ontario Capital Tax per CT23

[702] _____

[703] _____

[704] _____

XXXXXXXXXXXX

[101] 4 463 000

[102] # 2 554 000

[103] _____

[104] 12 848 000

[105] _____

[106] _____

[107] _____

[108] _____

[109] _____

[110] _____

[111] _____

[112] _____

[113] _____

[114] _____

[115] _____

[116] _____

[117] _____

[118] _____

[119] _____

[120] 2 729

[121] 33 134

[122] _____

[123] _____

[124] 365 000

[125] _____

[126] _____

[127] _____

[128] _____

[199] 3 754 000

[500] 18 911 863

XXXXXXXXXXXX

[201] _____

[202] _____

[203] _____

[204] _____

[205] _____

[206] _____

[207] _____

[208] _____

[209] _____

[210] _____

[211] _____

[212] _____

[213] _____

[214] _____

[215] _____

[216] _____

[217] _____

[218] _____

[219] _____

T2-RETURN AND SCHEDULE INFORMATION

001

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[220]	_____	[300]	_____	[401]	44 432
[221]	_____	[301]	_____	[402]	_____
[222]	_____	[302]	_____	[403]	12 127 562
[223]	_____	[303]	_____	[404]	_____
[224]	_____	[304]	_____	[405]	_____
[225]	_____	[305]	_____	[406]	_____
[226]	_____	[306]	_____	[407]	_____
[227]	_____	[307]	_____	[408]	_____
[228]	_____	[308]	_____	[409]	_____
[229]	_____	[309]	_____	[410]	_____
[230]	_____	[310]	_____	[411]	_____
[231]	_____	[311]	_____	[413]	_____
[232]	_____	[312]	_____	[414]	_____
[233]	_____	[313]	_____	[416]	_____
[234]	_____	[314]	_____	[417]	_____
[235]	_____	[315]	_____	[499]	872 756
[236]	_____	[316]	_____	[510]	13 044 750
[237]	_____	[340]	_____		XXXXXXXXXXXXX
[238]	_____	[341]	_____		
[290]	3 154 000	[342]	_____		
[291]	600 000	[343]	_____		
[292]	_____	[344]	_____		
[293]	_____	[345]	_____		
[294]	_____	[346]	_____		
	XXXXXXXXXXXXX	[390]	216 000		
		[391]	656 756		
		[392]	_____		
		[393]	_____		
		[394]	_____		
			XXXXXXXXXXXXX		

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[101] 2

5. 3 708 058

6. 927 796

[200] 1. 1

7. _____ *

2. 2

3. 3

[203] 1. 368 745

4. 8

2. _____

5. 10

3. _____

6. 12

4. 228 296

7. 47 *

5. 1 239 874

6. 1 126 412

[211] 1. 184 373

7. 9 647 347 *

2. _____

3. _____

[205] 1. _____

4. 114 148

2. _____

5. 617 437

3. _____

6. 563 206

4. _____

7. 4 823 674 *

5. _____

6. _____

[212] 1. 4

7. _____ *

2. 6

3. 5

[207] 1. _____

4. 20

2. 70 246

5. 30

3. 89 031

6. 100

4. _____

7. 8 *

5. 5 000

XXXXXXXXXXXX

6. _____

7. _____ *

[201] 1. 109 255 609

2. 55 699 224

[213] 1. _____

3. 5 807 219

2. _____

4. 4 644 701

3. _____

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

4. _____

5. _____

6. _____

7. _____ *

[215]

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____ *

[217]

1. 4 377 599

2. 3 337 739

3. 285 909

4. 951 770

5. 1 297 649

6. 1 491 002

7. 385 894 *

[220]

1. 105 246 755

2. 52 291 239

3. 5 432 279

4. 3 921 227

5. 3 645 283

6. 563 206

7. 9 261 453 *

XXXXXXXXXXXX

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[300] 1. NR *

[400] 1. 1 *

XXXXXXXXXXXX

[100] 1. The Corporation of the City of London *

[200] 1. _____ *

[500] 1. 1 001 *

[550] 1. 100 *

[600] 1. _____ *

[650] 1. _____ *

[700] 1. 96 116 *

XXXXXXXXXXXX

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[025] _____

[050] 2005

[075] 2

[200] 1. 86483 7430 RC 0001

2. NR *

[300] 1. 1

2. 4 *

XXXXXXXXXXXX

[350] 1. 100

2. _____ *

XXXXXXXXXXXX

[400] 1. 300 000

2. _____ *

XXXXXXXXXXXX

[100] 1. London Hydro Inc.

2. The Corporation of the City of London *

XXXXXXXXXXXX

T2-RETURN AND SCHEDULE INFORMATION

033

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[610]	11 042 113	[401]	_____	[820]	286 001
[821]	457 715	[402]	_____	[861]	123 672
[830]	123 672	[403]	_____	[862]	_____
[850]	_____	[404]	_____	[870]	162 329
	XXXXXXXXXXXXX	[405]	_____		XXXXXXXXXXXXX
		[406]	_____		
[101]	8 913 000	[407]	_____		
[103]	96 116 000	[490]	_____		
[104]	24 608 000		XXXXXXXXXXXXX		
[105]	_____				
[106]	_____	[500]	213 429 000		
[107]	_____		XXXXXXXXXXXXX		
[108]	_____				
[109]	_____	[701]	_____		
[110]	_____	[711]	_____		
[111]	89 784 000	[712]	_____		
[112]	_____	[713]	_____		
[121]	5 992 000	[790]	_____		
[122]	_____		XXXXXXXXXXXXX		
[123]	_____				
[124]	_____	[690]	213 429 000		
[190]	213 429 000	[801]	50 000 000		
	XXXXXXXXXXXXX	[811]	163 429 000		
			XXXXXXXXXXXXX		

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[010] _____

[020] 2

[030] 2005

[300] 1. 86483 7430 RC 0001

2. NR *

[500] 1. _____

2. _____ *

XXXXXXXXXXXXX

[400] 1. 50 000 000

2. _____ *

XXXXXXXXXXXXX

[200] 1. London Hydro Inc.

2. The Corporation of the City of London *

XXXXXXXXXXXXX

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[100] 1. The Corporation of the City of London *

[200] 1. NR *

[300] 1. _____ *

[350] 1. _____ *

[400] 1. 100 *

[500] 1. _____ *

XXXXXXXXXXXXX

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[3640]	257 647 000	[3499]	136 923 000
	XXXXXXXXXXXX		XXXXXXXXXXXX
<hr/>			
[1000]	24 347 000	[3500]	96 116 000
[1060]	39 502 000	[3600]	24 608 000
[1061]	# 1 384 000	[3620]	120 724 000
[1120]	3 452 000		XXXXXXXXXXXX
[1480]	5 631 000		
[1484]	957 000	[3660]	21 433 000
[1599]	72 505 000	[3680]	5 175 000
[1600]	968 000	[3700]	# 2 000 000
[1602]	# 357 000	[3849]	24 608 000
[1740]	294 873 000		XXXXXXXXXXXX
[1741]	# 131 034 000		
[1920]	2 774 000		
[2008]	298 615 000		
[2009]	# 131 391 000		
[2420]	11 926 000		
[2421]	5 992 000		
[2589]	17 918 000		
[2599]	257 647 000		
	XXXXXXXXXXXX		
[2600]	_____		
[2620]	41 682 000		
[2622]	6 312 000		
[2680]	1 642 000		
[3139]	49 636 000		
[3262]	70 000 000		
[3320]	17 287 000		
[3450]	87 287 000		

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[0001] _____

[0002] _____

XXXXXXXXXXXX

[0003] _____

XXXXXXXXXXXX

[8519] 42 262 000

[9659] 0

[9369] 7 084 000

XXXXXXXXXXXX

[9899] _____

[9970] 7 084 000

[9660] _____

[9975] _____

[9898] 0

[9976] _____

XXXXXXXXXXXX

[9980] _____

[9985] _____

[9990] 4 463 000

[9995] # 2 554 000

[9999] 5 175 000

XXXXXXXXXXXX

[8000] _____

[8089] 42 262 000

[8299] 42 262 000

XXXXXXXXXXXX

[8300] _____

[9367] 35 178 000

[9368] 35 178 000

XXXXXXXXXXXX

[9370] _____

Name: London Hydro Inc.

BN: 86483 7430 RC 0001

Taxation Year End: 2005-12-31

[095] 1

[097] 2

[198] 1

[099] 2

[101] 1

[102] 2

[103] 2

[104] 1

[105] 2

[106] 2

[107] 2

[108] 2

XXXXXXXXXXXX



Ministry of Finance

Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9**2006****CT23 Corporations Tax and
Annual Return**For taxation years commencing
after December 31, 2003Corporations Tax Act – Ministry of Finance (MOF)
Corporations Information Act – Ministry of Government Services (MGS)

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Government Services (MGS) **Annual Return**. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MGS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MGS Annual Return Required? (Not required if already filed or
Annual Return exempt. Refer to Guide) ☒ Yes ☐ No **Page 1 of 20**

Corporation's Legal Name (including punctuation) London Hydro Inc.			Ontario Corporations Tax Account No. (MOF) 1800266														
Mailing Address 111 Horton Street London ON CA N6A 4H6			This Return covers the Taxation Year Start <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td colspan="3">2005-01-01</td></tr></table> End <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td colspan="3">2005-12-31</td></tr></table>			year	month	day	2005-01-01			year	month	day	2005-12-31		
year	month	day															
2005-01-01																	
year	month	day															
2005-12-31																	
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes			Date of Incorporation or Amalgamation <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td colspan="3">2000-04-26</td></tr></table>			year	month	day	2000-04-26								
year	month	day															
2000-04-26																	
Registered/Head Office Address 111 Horton Street London ON CA N6A 4H6			Ontario Corporation No. (MGS) 1800266														
Location of Books and Records 111 Horton Street London ON CA N6A 4H6			Canada Revenue Agency Business No. If applicable, enter 86483 7430 RC0001														
Name of person to contact regarding this CT23 Return John Stephenson		Telephone No. (519) 661-5800	Fax No. (519) 661-2596														
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MGS) Ontario Canada			Jurisdiction Incorporated Ontario														
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MGS)			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td colspan="3"></td></tr></table> Ceased <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td colspan="3"></td></tr></table> <input checked="" type="checkbox"/> Not Applicable			year	month	day				year	month	day			
year	month	day															
year	month	day															
Information on Directors/Officers/Administrators must be completed on MGS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MGS). If there is no change to the Directors/Officers/Administrators' information previously submitted to MGS, please check (X) this box. Schedule(s) A and K are not required (MGS). <input checked="" type="checkbox"/> No Change			No. of Schedule(s) <table><tr><td></td></tr></table> Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français Ministry Use 														
Certification (MGS)																	
I certify that all information set out in the Annual Return is true, correct and complete. Name of Authorized Person (Print clearly or type in full) John Stephenson Title: <input type="checkbox"/> Director <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other individuals having knowledge of the Corporation's business activities Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.																	

London Hydro Inc.

1800266

2005-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

Type of corporation

- 1** ☒ Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- ☐ 2 Other Private
- ☐ 3 Public
- ☐ 4 Non-share Capital
- ☐ 5 Other (specify) ▼

Share Capital with full voting rights
owned by Canadian Residents

(nearest percent)

100 %

- 2** ☐ 1 Family Farm corporation s.1(2)
- ☐ 2 Family Fishing corporation s.1(2)
- ☐ 3 Mortgage Investment corporation s.47
- ☐ 4 Credit Union s.51
- ☐ 5 Bank Mortgage subsidiary s.61(4)
- ☐ 6 Bank s.1(2)
- ☐ 7 Loan and Trust corporation s.61(4)
- ☐ 8 Non-resident corporation s.2(2)(a) or (b)
- ☐ 9 Non-resident corporation s.2(2)(c)
- ☐ 10 Mutual Fund corporation s.48
- ☐ 11 Non-resident owned Investment corporation s.49
- ☐ 12 Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)
- ☐ 14 Bare Trustee corporation
- ☐ 15 Branch of Non-resident s.63(1)
- ☐ 16 Financial institution prescribed by Regulation only
- ☐ 17 Investment Dealer
- ☐ 18 Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- ☒ 19 Hydro successor, municipal electrical utility or subsidiary of either
- ☐ 20 Producer and seller of steam for uses other than for the generation of electricity
- ☐ 21 Insurance Exchange s.74.4
- ☐ 22 Farm Feeder Finance Co-operative corporation
- ☐ 23 Professional corporation (incorporated professionals only)

- ☐ This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.)
- ☐ Amended Return
- ☐ Taxation year end change – Canada Revenue Agency approval required
- ☐ Final taxation year up to dissolution (Note: for discontinued businesses, see guide.)
- ☐ Final taxation year before amalgamation
- ☐ The corporation has a floating fiscal year end
- ☐ There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- ☐ There was an acquisition of control to which subsection 249(4) of the federal *Income Tax Act* (ITA) applies since the previous taxation year
- If checked, date control was acquired

year	month	day
------	-------	-----
- ☐ The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario Schedule 44.)
- ☐ First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.)
- ☐ Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations)

- Yes No
- ☐ ☒ Was the corporation inactive throughout the taxation year?
- ☒ ☐ Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?
- Are you requesting a refund due to:
- ☐ ☒ the Carry-back of a Loss?
- ☒ ☐ an Overpayment?
- ☐ ☒ a Specified Refundable Tax Credit?
- ☐ ☒ Are you a member of a Partnership or Joint Venture?

Complete if applicable

Ontario Retail Sales Tax Vendor
Permit no. (Use head office no.)Ontario Employer Health Tax
Account no. (Use head office no.)

Specify major business activity

Electricity Distrib

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	- - - - -	± From	690	11,042,113	•
Subtract: Charitable donations	- - - - -	-	1		•
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	- - - - -	-	2		•
Subtract: Taxable dividends deductible, per federal Schedule 3	- - - - -	-	3		•
Subtract: Ontario political contributions (Attach Schedule 2A) (Int.B. 3002R)	- - - - -	-	4		•
Subtract: Federal Part VI.1 tax	• x 3 - - - - -	-	5		•
Subtract: Prior years' losses applied – Non-capital losses	- - - - -	- From	704		•
	From 715				
Net capital losses (page 16)	• x inclusion rate	50.000000%	=	714	•
Farm losses	- - - - -	- From	724		•
Restricted farm losses	- - - - -	- From	734		•
Limited partnership losses	- - - - -	- From	754		•
Taxable Income (Non-capital loss)	- - - - -	=	10	11,042,113	•
Addition to taxable income for unused foreign tax deduction for federal purposes	- - - - -	+	11		•
Adjusted Taxable Income	10 + 11 (if 10 is negative, enter 11)	=	20	11,042,113	•

Taxable Income

From 10 (or 20 if applicable)	11,042,113 • x 30	100.0000%	x	12.5 %	x	33	÷	73	365	=	29	•
		Ontario Allocation										
From 10 (or 20 if applicable)	11,042,113 • x 30	100.0000%	x	14 %	x	34	365 ÷ 73	365	=	32	1,545,896	•
		Ontario Allocation										
Income Tax Payable (before deduction of tax credits)	29 + 32	=	40	1,545,896	•							

Number of Days in Taxation Year

Days after Dec. 31, 2002 and before Jan. 1, 2004

Total Days

Days after Dec. 31, 2003

Total Days

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

If this section is not completed, the IDSBC will be denied.

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X)

☒ Yes ☐ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	- - - -	50	11,042,113	•
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	11,042,113	•	
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52			•
Subtract: Losses of other years deducted for Ontario purposes (s.34)	- 53			•
	=	11,042,113	•	54 11,042,113
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	- - - - -	55	300,000	•

Ontario Business Limit Calculation

320,000 x	Days after Dec. 31, 2002 and before Jan. 1, 2004	31	÷	**	365	=	+	46	•	
400,000 x	Days after Dec. 31, 2003	34	365 ÷	**	365	=	+	47	400,000 •	
Business Limit for Ontario purposes	46 + 47	=	44	400,000 •	x	48	100.0000%	=	45	400,000 •
Income eligible for the IDSBC	- - - - -	From	30	100.0000%	x	56	400,000 •	=	60	400,000 •
		***Ontario Allocation							Least of 50, 54 or 45	

* Note: Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

** Note: Adjust accordingly for a floating taxation year and use 366 for a leap year.

*** Note: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

continued on Page 5

Income Tax continued from Page 4

		Number of Days in Taxation Year			
Calculation of IDSBC Rate	7 %	x	Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days	= + 89
			31	365	
	8.5 %	x	Days after Dec. 31, 2003	Total Days	
			34	365	8.5000
IDSBC Rate for Taxation Year	89	+	90		78 8.5000
Claim	From 60	400,000	x	From 78	8.5000 % = 70 34,000

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount 400,000 in 114 below.

Surtax on Canadian-controlled Private Corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

Associated Corporation - The Taxable Income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

*Taxable Income of the corporation From 10 (or 20 if applicable) + 80 11,042,113

If you are a member of an associated group (X) 81 X (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Taxable Income (if loss, enter nil)
The Corporation of the City of London			+ 82
			+ 83
			+ 84
Aggregate Taxable Income	80 + 82 + 83 + 84, etc.		= 85 11,042,113

		Number of Days in Taxation Year			
320,000	x	Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days	= + 115	
		31	365		
400,000	x	Days after Dec. 31, 2003	Total Days	= + 116	400,000
		34	365		
		115 + 116			400,000
(If negative, enter nil)					86 10,642,113

		Number of Days in Taxation Year			
Calculation of Specified Rate for Surtax	4.6670 %	x	Days after Dec. 31, 2002	Total Days	= + 97 4.6670
			38	365	
From 86	10,642,113	x	From 97	4.6670 %	= 87 496,667
From 87	496,667	x	From 60	400,000	÷ From 114 400,000 = 88 496,667
Surtax Lesser of	70 or 88				= 100 34,000

* **Note: Short Taxation Years** – Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

continued on Page 6

Additional Deduction for Credit Unions (s.51(4)) (Attach schedule 17)

110 _____.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is \$250,000 or less.

Eligible Canadian Profits _____ + 120 _____.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) _____ - From 56 _____ 400,000.

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 _____ 34,000 ÷ From 30 _____ 100.0000% ÷ From 78 _____ 8.5000% = 121 _____ 400,000.

*Ontario Allocation

Lesser of 56 or 121 _____ + 122 _____ 400,000.

120 - 56 + 122 _____ = 130 _____.

Taxable Income _____ + From 10 _____ 11,042,113.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) _____ - From 56 _____ 400,000.

Add: Adjustments for Surtax on Canadian-controlled private corporations _____ + From 122 _____ 400,000.

Subtract: Taxable Income 10 _____ 11,042,113 X Allocation % to jurisdictions outside Canada _____% - 140 _____.

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses _____ - 141 _____.

10 - 56 + 122 - 140 - 141 _____ = 142 _____ 11,042,113.

Claim**Number of Days in Taxation Year**

Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days

143 _____ X From 30 _____ 100.0000% X 1.5% X 33 _____ ÷ 73 _____ 365 _____ = + 154 _____.

Lesser of 130 or 142 _____ Ontario Allocation

Days after Dec. 31, 2003 Total Days

143 _____ X From 30 _____ 100.0000% X 2% X 34 _____ 365 ÷ 73 _____ 365 _____ = + 156 _____.

Lesser of 130 or 142 _____ Ontario Allocation

M&P claim for taxation year 154 + 156 _____ = 160 _____.

* Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1)).

Manufacturing and Processing Profits Credit for Electrical Generating Corporations _____ = 161 _____.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity _____ = 162 _____.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule). _____ - 170 _____.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit 175 _____ Credit Claimed 180 _____.

Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 _____ = 190 _____ 1,545,896.

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) *Applies to scientific research and experimental development in Ontario.*

Eligible Credit From **5620** OITC Claim Form *(Attach original Claim Form)* - - - - - + **191** _____.

Co-operative Education Tax Credit (CETC) (s.43.4) *Applies to employment of eligible students.*

Eligible Credit From **5798** CT23 Schedule 113 *(Attach Schedule 113)* - - - - - + **192** _____.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)

Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production **204**

Eligible Credit From **5850** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + **193** _____.

Graduate Transitions Tax Credit (GTTC) (s.43.6)

Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. No. of Graduates From **6596** **194**

Eligible Credit From **6598** CT23 Schedule 115 *(Attach Schedule 115)* - - - - - + **195** _____.

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)

Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.

Eligible Credit From **6900** OBPTC Claim Form *(Attach both the original Claim Form and the Certificate of Eligibility)* - - - - - + **196** _____.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)

Applies to labour relating to computer animation and special effects on an eligible production.

Eligible Credit From **6700** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + **197** _____.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)

Applies to qualifying R&D expenditures under an eligible research institute contract.

Eligible Credit From **7100** OBRITC Claim Form *(Attach original Claim Form)* - - - - - + **198** _____.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)

Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.

Eligible Credit From **7300** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + **199** _____.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)

Applies to qualifying labour expenditures of eligible products for the taxation year.

Eligible Credit From **7400** of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) *(Attach the original Certificate of Eligibility)* - - - - - + **200** _____.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)

Applies to qualifying expenditures in respect of eligible Canadian sound recordings.

Eligible Credit From **7500** OSRTC Claim Form *(Attach both the original Claim Form and the Certificate of Eligibility)* - - - - - + **201** _____.

Apprenticeship Training Tax Credit (ATTC) (s.43.13)

Applies to employment of eligible apprentices. No. of Apprentices From **5896** **202**

Eligible Credit From **5898** CT23 Schedule 114 *(Attach Schedule 114)* - - - - - + **203** _____.

Other (specify) _____ + **203.1** _____.

Total Specified Tax Credits **191** + **192** + **193** + **195** + **196** + **197** + **198** + **199** + **200** + **201** + **203** + **203.1** = **220** _____.

Specified Tax Credits Applied to reduce Income Tax - - - - - = **225** _____.

Income Tax **190** - **225** OR Enter NIL if reporting Non-Capital Loss *(amount cannot be negative)* - - - - - = **230** 1,545,896.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8**. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on **Page 17**.

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8**.

Corporate Minimum Tax (CMT)

CT23 Page 8 of 20

DOLLARS ONLY

Total Assets of the corporation - - - - - + [240] 257,647,000 .
Total Revenue of the corporation - - - - - + [241] 42,262,000 .

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an associated group (X) [242] (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets	Total Revenue
			+ [243] .	+ [244] .
			+ [245] .	+ [246] .
			+ [247] .	+ [248] .
Aggregate Total Assets	[240] + [243] + [245] + [247], etc.		= [249] 257,647,000 .	
Aggregate Total Revenue	[241] + [244] + [246] + [248], etc.			= [250] 42,262,000 .

Determination of Applicability

Applies if either Total Assets [249] exceeds \$5,000,000 or Total Revenue [250] exceeds \$10,000,000.

Short Taxation Years – Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation – The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101**.

Calculation: CMT (Attach Schedule 101.)

Gross CMT Payable - - CMT Base From Schedule 101 [2136] 7,084,000 . X From [30] 100.0000 % X 4 % = [276] 283,360 .
If negative, enter zero Ontario Allocation

Subtract: Foreign Tax Credit for CMT purposes (Attach Schedule) - - - - - [277] .

Subtract: Income Tax - - - - - From [190] 1,545,896 .

Net CMT Payable (If negative, enter Nil on Page 17.) - - - - - = [280] -1,262,536 .

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from Page 7 to Income Tax Summary, on Page 17.

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to Page 17 and transfer [280] to Page 17, and to Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.

CMT Credit Carryover available From Schedule 101 - - - - - From [2333] .

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) - - - - - + From [190] 1,545,896 .

Gross CMT Payable - - - - - + From [276] 283,360 .

Subtract: Foreign Tax Credit for CMT purposes - - - - - From [277] .

If [276] - [277] is negative, enter NIL in [290] = 283,360 .

Income Tax eligible for CMT Credit - - - - - = [300] 1,262,536 .

B. Income Tax (after deduction of specified credits) - - - - - + From [230] 1,545,896 .

Subtract: CMT credit used to reduce income taxes - - - - - [310] .

Income Tax - - - - - = [320] 1,545,896 .

Transfer to page 17

If A & B apply, [310] cannot exceed the lesser of [230], [300] and your CMT credit carryover available [2333] .

If only B applies, [310] cannot exceed the lesser of [230] and your CMT credit carryover available [2333] .

London Hydro Inc.

1800266

2005-12-31

DOLLARS ONLY

Capital Tax (Refer to Guide and Int.B. 3011R)

If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in 480 and 430 are both \$3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be

adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(2)(a) or 2(2)(b), and whose business is not carried on solely in Canada is deemed to be the greater of (1) taxable income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012R and 3015R)	- - - - -	+	350	96,116,000	•
Retained earnings (if deficit, deduct) (Int.B. 3012R)	- - - - -	±	351	24,608,000	•
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	- - - - -	+	352		•
Loans and advances (Attach schedule) (Int.B. 3013R)	- - - - -	+	353	70,000,000	•
Bank loans (Int.B. 3013R)	- - - - -	+	354		•
Bankers acceptances (Int.B. 3013R)	- - - - -	+	355		•
Bonds and debentures payable (Int.B. 3013R)	- - - - -	+	356		•
Mortgages payable (Int.B. 3013R)	- - - - -	+	357		•
Lien notes payable (Int.B. 3013R)	- - - - -	+	358		•
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	- - - - -	+	359	9,976,000	•
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	- - - - -	+	360		•
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)	- - - - -	+	361	25,712,000	•
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	- - - - -	+	362		•
Subtotal	- - - - -	=	370	226,412,000	•
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)	- - - - -	-	371		•
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	- - - - -	-	372		•
Total Paid-up Capital	- - - - -	=	380	226,412,000	•
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	- - - - -	-	381		•
Electrical Generating Corporations Only – All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	- - - - -	-	382		•
Net Paid-up Capital	- - - - -	=	390	226,412,000	•

Eligible Investments (Refer to Guide and Int.B. 3015R)

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	- - - - -	+	402		•
Mortgages due from other corporations	- - - - -	+	403		•
Shares in other corporations (certain restrictions apply) (Refer to Guide)	- - - - -	+	404		•
Loans and advances to unrelated corporations	- - - - -	+	405		•
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	- - - - -	+	406		•
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	- - - - -	+	407		•
Total Eligible Investments	- - - - -	=	410		•

continued on Page 10

DOLLARS ONLY

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	-	-	-	480	42,262,000
Total Assets (as adjusted)	-	-	-	430	257,647,000

Financial Institutions use calculations on page 13.

OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.

OR If the corporation is a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the CT23 Guide for additional instructions before completing the Capital Tax section.

Enter NIL in **550** on page 12 and complete the return from that point.

		Number of Days in Taxation Year			
		Days before Jan. 1, 2005	Total Days		
5,000,000	x	<u>35</u>	<u>365</u>	= +	<u>500</u>
7,500,000	x	<u>36</u>	<u>365</u>	= +	<u>501</u>
					<u>7,500,000</u>
10,000,000	x	<u>37</u>	<u>365</u>	= +	<u>502</u>
Taxable Capital Deduction (TCD)					<u>500</u> + <u>501</u> + <u>502</u> = <u>503</u>
					<u>7,500,000</u>

+ From 470 _____ ●
 - From 503 _____ ●
 = 471 _____ ● x From 30 100.0000% x 0.3 % x 555 365 - - - - - = + 523 _____ ●

Ontario Allocation

Days in taxation year
 365 (366 if leap year)

Transfer to 543 on page 12 and complete the return from that point

CORPORATE TAXPREP - 2006 CT23 - 2006 V.1 - 0704

Capital Tax Calculation *continued from Page 10*

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either ☐ 509 or ☐ 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

D1. ☐ 509 (X if applicable)

All corporations that you are associated with do **not** have a permanent establishment in Canada.

If Taxable Capital ☐ 470 on page 10 is equal to or less than the TCD ☐ 503 on page 10, enter NIL in ☐ 550 on page 12 and complete the return from that point.

If Taxable Capital ☐ 470 on page 10 exceeds the TCD ☐ 503 on page 10, proceed to **Section E**, enter the TCD amount in ☐ 542 in Section E, and complete Section E and the return from that point.

D2. ☒ 524 (X if applicable)

One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do not complete this calculation if ss.69(2.1) election is filed

Taxable Capital From ☐ 470 on page 10 - - - - - + From ☐ 470 226,412,000 ●

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
The Corporation of the City of London			+ <input type="checkbox"/> 531 ●
			+ <input type="checkbox"/> 532 ●
			+ <input type="checkbox"/> 533 ●
Aggregate Taxable Capital <input type="checkbox"/> 470 + <input type="checkbox"/> 531 + <input type="checkbox"/> 532 + <input type="checkbox"/> 533, etc.			= <input type="checkbox"/> 540 226,412,000 ●

If ☐ 540 above is equal to or less than the TCD ☐ 503 on page 10, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in ☐ 523 in section E on page 12, as applicable.

If ☐ 540 above is greater than the TCD ☐ 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

$$\text{From } \boxed{470} \quad 226,412,000 \bullet \div \text{From } \boxed{540} \quad 226,412,000 \bullet \times \text{From } \boxed{503} \quad 7,500,000 \bullet = \boxed{541} \quad 7,500,000 \bullet$$

Transfer to ☐ 542 in Section E on page 12

Ss.69(2.1) Election Filed

☐ 591 (X if applicable)

Election filed. Attach a copy of Schedule 591 with this CT23 Return.
Proceed to **Section F** on page 12.

continued on Page 12

SECTION E

Complete the following calculation and transfer the amount from **523** to **543**, and complete the return from that point.

$$\begin{array}{rcl}
 + & \text{From } \boxed{470} & \underline{226,412,000} \bullet \\
 - & \boxed{542} & \underline{7,500,000} \bullet \\
 = & \boxed{471} & \underline{218,912,000} \bullet \times \text{From } \boxed{30} \mid \underline{100.0000} \% \times 0.3 \% \times \frac{\text{Days in taxation year}}{365} \frac{555}{(366 \text{ if leap year})} - - - - - = + \boxed{523} \underline{656,736} \bullet
 \end{array}$$

Total Capital Tax for the taxation year
Transfer to $\boxed{543}$ and complete the return from that point

SECTION F

$$+ \text{ From } 470 \times \text{ From } 30 \times \frac{100.0000}{100} \% \times 0.3 \% = + 561$$

Capital tax deduction from **995** relating to **your corporation's** Capital Tax deduction, on Schedule 591 - - - From **995** _____
= **562** _____

[illegible]

* If floating taxation year, refer to Guide.

Capital Tax	before application of specified credits	- - - - -	=	543	<u>656,736 .</u>
	Subtract: Specified Tax Credits applied to reduce capital tax payable (<i>Refer to Guide</i>)	- - - - -	-	546	<u>. .</u>
Capital Tax	543 – 546 (<i>amount cannot be negative</i>)	- - - - -	=	550	<u>656,736 .</u>

Transfer to Page 17

continued on Page 13

Capital Tax *continued from Page 12*
Calculation of Capital Tax for Financial Institutions
1.1 Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in **550** on page 12, and complete the return from that point.

1.2 Other than Credit Unions

(Retain details of calculations for amounts in boxes **565** and **570**. Do not submit with this tax return.)

565 _____ x 0.6 % x From **30** **100.0000** % x **555** **365** ÷ * **365** (366 if leap year) = + **569** _____

Lesser of adjusted
Taxable Paid Up Capital
and Basic Capital Amount
in accordance with
Division B.1

Ontario Allocation

570 _____ x **571** _____ x From **30** **100.0000** % x **555** **365** ÷ * **365** (366 if leap year) = + **574** _____

Adjusted Taxable
Paid Up Capital
in accordance with
Division B.1 in excess
of Basic Capital Amount

Capital Tax Rate
(Refer to Guide)

Ontario Allocation

Capital Tax for Financial Institutions – other than Credit Unions (before Section 2) **569** + **574** - - = **575** _____

* If floating taxation year, refer to Guide.

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments - - - - - **585** _____

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) ☐ Yes

Capital Tax - Financial Institutions **575** - **585** - - - - - = **586** _____

Transfer to **543** on Page 12

Premium Tax (s.74.2 & 74.3) (Refer to Guide)

(1) Uninsured Benefits Arrangements - - - - - **587** _____ x 2 % - - = **588** _____

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide) - - - - - **589** _____

Premium Tax **588** - **589** - - - - - = **590** _____

Transfer to page 17

DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1

- - - - - ± **600** 11,042,113 .
Transfer to Page 15

Add:

Federal capital cost allowance	- - - - -	+	601	12,127,562 .
Federal cumulative eligible capital deduction	- - - - -	+	602	.
Ontario taxable capital gain	- - - - -	+	603	.
Federal non-allowable reserves. Balance beginning of year	- - - - -	+	604	.
Federal allowable reserves. Balance end of year	- - - - -	+	605	.
Ontario non-allowable reserves. Balance end of year	- - - - -	+	606	.
Ontario allowable reserves. Balance beginning of year	- - - - -	+	607	.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	- - - - -	+	608	.
Federal resource allowance (Refer to Guide)	- - - - -	+	609	.
Federal depletion allowance	- - - - -	+	610	.
Federal foreign exploration and development expenses	- - - - -	+	611	.
All Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide)	- - - - -	+	617	.
Management fees, rents, royalties and similar payments to non-arm's length non-residents ▼				

Number of Days in Taxation Year

$$\text{612} \times 5 / 12.5 \times \left(\frac{\text{Days after Dec. 31, 2002 and before Jan. 1, 2004}}{\text{Total Days}} \right) = \text{633}$$

$$\text{612} \times 5 / 14 \times \left(\frac{\text{Days after Dec. 31, 2003}}{\text{Total Days}} \right) = \text{634}$$

Total add-back amount for Management fees, etc. **633** + **634** = + **613**

Federal Scientific Research Expenses claimed in year from line **460** of fed. form T661
excluding any negative amount in **473** from Ont. CT23 Schedule 161 + **615**

Add any negative amount in **473** from Ont. CT23 Schedule 161 + **616**

Federal allowable business investment loss + **620**

Total of other items not allowed by Ontario but allowed federally (Attach schedule) + **614**

Total of Additions **601** to **611** + **617** + **613** + **615** + **616** + **620** + **614** = 12,127,562 . **640** 12,127,562 .
Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	- - - - -	+	650	12,127,562 .
Ontario cumulative eligible capital deduction	- - - - -	+	651	.
Federal taxable capital gain	- - - - -	+	652	.
Ontario non-allowable reserves. Balance beginning of year	- - - - -	+	653	.
Ontario allowable reserves. Balance end of year	- - - - -	+	654	.
Federal non-allowable reserves. Balance end of year	- - - - -	+	655	.
Federal allowable reserves. Balance beginning of year	- - - - -	+	656	.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	- - - - -	+	657	.
Ontario depletion allowance	- - - - -	+	658	.
Ontario resource allowance (Refer to Guide)	- - - - -	+	659	.
Ontario current cost adjustment (Attach schedule)	- - - - -	+	661	.
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	- - - - -	+	675	.

Subtotal of deductions for this page **650** to **659** + **661** + **675** = **681** 12,127,562 .
Transfer to Page 15

continued on Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal Schedule 1 - - - - - From \pm 600 11,042,113.

Total of Additions on page 14 - - - - - From = 640 12,127,562.

Sub Total of deductions on page 14 From = 681 12,127,562.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up

(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year

ONTTI Gross-up deduction calculation:

Gross-up of CCA

From _____ x _____ = _____

From _____

Ontario Allocation

Workplace Child Care Tax Incentive (WCCT)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: $\boxed{665} \times 30\% \times \boxed{100} = \boxed{666}$

From $\boxed{30}$ $\boxed{100.0000}$
Ontario allocation

Workplace Accessibility Tax Incentive (WATI)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: $\boxed{667} \times 100\% \times \boxed{100} = \boxed{668}$

From $\boxed{30}$ $\boxed{100.0000}$
Ontario allocation

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI)

(Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)

Qualifying expenditures: $\boxed{670} \times 30\% \times \boxed{100} = \boxed{671}$

From $\boxed{30}$ $\boxed{100.0000}$
Ontario allocation

Educational Technology Tax Incentive (ETTI)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: $\boxed{672} \times 15\% \times 100 = \boxed{673}$

From $\boxed{30}$ $\boxed{100.0000}$
Ontario allocation

Ontario allowable business investment loss	- - - - -	+	678	
--	-----------	---	-----	--

Ontario Scientific Research Expenses claimed in year in 477 **from Ont. CT23 Schedule 161** **+** 679

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) - - - - - + 677

Total of other deductions allowed by Ontario (Attach schedule) - - - - - + 664

Total of Deductions $\boxed{681} + \boxed{663} + \boxed{666} + \boxed{668} + \boxed{671} + \boxed{673} + \boxed{678} + \boxed{679} + \boxed{677} + \boxed{664} = 12,127,562 \bullet \boxed{680} \quad 12,127,562 \bullet$

Net income (loss) for Ontario Purposes $\boxed{600} + \boxed{640} - \boxed{680}$ - - - - - = $\boxed{690}$ 11,042,113.

Transfer to Page 4

DOLLARS ONLY

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2)	710 (2)	720 (2)	730	740	750
Add: Current year's losses (7)	701	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	703	713	723	733	743	753
Subtract: Utilized during the year to reduce taxable income	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Expired during the year	705		725	735	745	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
Subtotal	707	717	727	737	747	757
Balance at End of Year	709 (8)	719	729	739	749	759

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1997-09-30	817 (9)	860 (9)		850	870
801 8th preceding taxation year 1998-09-30	818 (9)	861 (9)		851	871
802 7th preceding taxation year 1999-09-30	819 (9)	862 (9)		852	872
803 6th preceding taxation year 2000-09-30	820	830	840	853	873
804 5th preceding taxation year 2001-09-30	821	831	841	854	874
805 4th preceding taxation year 2001-12-31	822	832	842	855	875
806 3rd preceding taxation year 2002-12-31	823	833	843	856	876
807 2nd preceding taxation year 2003-12-31	824	834	844	857	877
808 1st preceding taxation year 2004-12-31	825	835	845	858	878
809 Current taxation year 2005-12-31	826	836	846	859	879
Total	829	839	849	869	889

Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

2005-12-31

DOLLARS ONLY

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Ministry of Finance.**

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
 - 1) the first day of the taxation year after the loss year,
 - 2) the day on which the corporation's return for the loss year is delivered to the Minister, or
 - 3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

Application of Losses			Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income						
	Predecessor Ontario Corporation's Tax Account No. (MOF)	Taxation Year Ending year month day				
i) 3 rd preceding	901	2002-12-31	911	921	931	941
ii) 2 nd preceding	902	2003-12-31	912	922	932	942
iii) 1 st preceding	903	2004-12-31	913	923	933	943
Total loss to be carried back			From 706	From 716	From 726	From 736
Balance of loss available for carry-forward			919	929	939	949

Summary

Income Tax	- - - - -	+	From	230	or	320	1,545,896
Corporate Minimum Tax	- - - - -	+	From	280			
Capital Tax	- - - - -	+	From	550			656,736
Premium Tax	- - - - -	+	From	590			
Total Tax Payable	- - - - -	=		950			2,202,632
Subtract: Payments	- - - - -	-		960			2,481,285
Capital Gains Refund (s.48)	- - - - -	-		965			
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- - - - -	-		985			
Specified Tax Credits (Refer to Guide)	- - - - -	-		955			
Other, specify _____	- - - - -	-					
Balance	- - - - -	=		970			-278,653
If payment due	- - - - -		Enclosed *	990			
If overpayment: Refund (Refer to Guide)	- - - - -	=		975			278,653
Apply to _____				980			

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. (Refer to Guide for other payment methods.)

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

John Stephenson

Title

C.F.O.

Full Residence Address

111 Horton Street

London

ON CA N6A 4H6

Signature _____

Date

2006-06-28

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Page 1 of 3

Corporation's Legal Name London Hydro Inc.	Ontario Corporations Tax Account No. (MOF) 1800266	Taxation Year End 2005-12-31
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Part 1: Calculation of CMT Base

Banks – Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Life insurance corporations – Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ± 2100 5,175,000.

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes / benefit of current income taxes + 2101 .
Provision for deferred income taxes (credits) / benefit of future income taxes + 2102 2,554,000 .
Equity income from corporations + 2103 .
Share of partnership(s)/joint venture(s) income + 2104 .
Dividends received/receivable deductible under fed.s.112 + 2105 .
Dividends received/receivable deductible under fed.s.113 + 2106 .
Dividends received/receivable deductible under fed.s.83(2) + 2107 .
Dividends received/receivable deductible under fed.s.138(6) + 2108 .
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) x 3 + 2109 .

Subtotal = 2,554,000 . ▶ - 2110 2,554,000 .

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes + 2111 4,463,000 .
Provision for deferred income taxes (debits) / cost of future income taxes + 2112 .
Equity losses from corporations + 2113 .
Share of partnership(s)/joint venture(s) losses + 2114 .
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) ... + 2115 .

Subtotal = 4,463,000 . ▶ + 2116 4,463,000 .

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85 + 2117 . or - 2118 .
** Fed.s.85.1 + 2119 . or - 2120 .
** Fed.s.97 + 2121 . or - 2122 .
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years + 2123 . or - 2124 .
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years + 2125 . or - 2126 .
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years ... + 2127 . or - 2128 .

Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income - 2150 .

Subtotal (Additions) = ▶ + 2129 .

Subtotal (Subtractions) = ▶ - 2130 .

** Other adjustments ± 2131 .

Subtotal ± 2100 - 2110 + 2116 + 2129 - 2130 ± 2131 = 2132 7,084,000 .

** Share of partnership(s)/joint venture(s) **adjusted** net income/loss ± 2133 .

Adjusted net income (loss) (if loss, transfer to 2202 in **Part 2: Continuity of CMT Losses Carried Forward.**) = 2134 7,084,000 .

Deduct: * CMT losses: pre-1994 Loss + From 2210 .

* CMT losses: other eligible losses + 2211 .

= ▶ - 2135 .

* CMT losses applied cannot exceed adjusted net income or increase a loss

** Retain calculations. Do not submit with this schedule.

CMT Base = 2136 7,084,000 .

Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8

Corporate Minimum Tax (CMT)

CT23 Schedule 101

Corporation's Legal Name London Hydro Inc.	Ontario Corporations Tax Account No. (MOF) 1800266	Taxation Year End 2005-12-31
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Part 2: Continuity of CMT Losses Carried Forward

Balance at Beginning of year NOTES (1), (2) + **2201**

Add: Current year's losses + **2202**
 Losses from predecessor corporations on
 amalgamation NOTE (3) + **2203**
 Losses from predecessor corporations on wind-up NOTE (3) ... + **2204**
 Amalgamation (X) **2205** ☐ Yes Wind-up (X) **2206** ☐ Yes

Subtotal = + **2207**

Adjustments (attach schedule) ± **2208**

CMT losses available **2201** + **2207** ± **2208** = **2209**

Subtract: Pre-1994 loss utilized during the year to reduce adjusted
 net income + **2210**
 Other eligible losses utilized during the year to reduce
 adjusted net income NOTE (4) + **2211**
 Losses expired during the year + **2212**

Subtotal = - **2213**

Balances at End of Year NOTE (5) **2209** - **2213** = **2214**

Notes:

- (1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.
- (2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and a 57.5(7))
- (3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))
- (4) CMT losses must be used to the extent of the lesser of the adjusted net income **2134** and CMT losses available **2209**.
- (5) Amount in **2214** must equal sum of **2270** + **2290**.

Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 1997-09-30	2260	2280
2241	8th preceding taxation year 1998-09-30	2261	2281
2242	7th preceding taxation year 1999-09-30	2262	2282
2243	6th preceding taxation year 2000-09-30	2263	2283
2244	5th preceding taxation year 2001-09-30	2264	2284
2245	4th preceding taxation year 2001-12-31	2265	2285
2246	3rd preceding taxation year 2002-12-31	2266	2286
2247	2nd preceding taxation year 2003-12-31	2267	2287
2248	1st preceding taxation year 2004-12-31	2268	2288
2249	Current taxation year 2005-12-31	2269	2289
Totals		2270	2290

The sum of amounts **2270** + **2290**
must equal amount in **2214**.

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Page 3 of 3

Corporation's Legal Name London Hydro Inc.	Ontario Corporations Tax Account No. (MOF) 1800266	Taxation Year End 2005-12-31
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Part 4: Continuity of CMT Credit Carryovers

Balance at Beginning of year NOTE (1) + **2301** []

Add: Current year's CMT Credit (**280** on page 8 of the CT23
or **347** on page 6 of the CT8. If negative, enter NIL) + From **280** or **347** []

Gross Special Additional Tax NOTE (2) **312** on page 5 of CT8.
(Life Insurance corporations only.
Others enter NIL.) + From **312** []

Subtract Income Tax
(**190** on page 6 of the CT23 or
page 4 of the CT8) - From **190** []

Subtotal (If negative, enter NIL) ... = **2305** []

Current year's CMT credit (If negative, enter NIL) **280** or **347** - **2305** ... = **2310** []

CMT Credit Carryovers from predecessor corporations NOTE (3) + **2325** []

Amalgamation (X) **2315** ☐ Yes Wind-up (X) **2320** ☐ Yes

Subtotal **2301** + **2310** + **2325** = **2330** []

Adjustments (Attach schedule) ± **2332** []

CMT Credit Carryover available **2330** ± **2332** = **2333** []

Transfer to Page 8 of the CT23 or Page 6 of the CT8

Subtract: CMT Credit utilized during the year to reduce income tax
(**310** on page 8 of the CT23 or **351** on page 6 of the CT8.) + From **310** or **351** []

CMT Credit expired during the year + **2334** []

Subtotal = **2335** []

Balances at End of Year NOTE (4) **2333** - **2335** = **2336** []

Notes:

- (1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))
- (2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).
- (3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))
- (4) Amount in **2336** must equal sum of **2370** + **2390**.

Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	9th preceding taxation year 1997-09-30	2360	2380
2341	8th preceding taxation year 1998-09-30	2361	2381
2342	7th preceding taxation year 1999-09-30	2362	2382
2343	6th preceding taxation year 2000-09-30	2363	2383
2344	5th preceding taxation year 2001-09-30	2364	2384
2345	4th preceding taxation year 2001-12-31	2365	2385
2346	3rd preceding taxation year 2002-12-31	2366	2386
2347	2nd preceding taxation year 2003-12-31	2367	2387
2348	1st preceding taxation year 2004-12-31	2368	2388
2349	Current taxation year 2005-12-31	2369	2389
Totals		2370	2390

The sum of amounts **2370** + **2390**
must equal amount in **2336**.

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name London Hydro Inc.	Ontario Corporations Tax Account No. (MOF) 1800266	Taxation Year End 2005-12-31
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CMT Losses Carried Forward Workchart

(i) Continuity of Pre-1994 CMT Losses

	Corporation's Pre-1994 Loss	Predecessors' Pre-1994 Loss Amalgamation	Wind-Up
Date of the last tax year end before the corp's 1st tax year commencing after 1993			
Pre-1994 Loss (per schedule)			
Less: Claimed in prior taxation years commencing after 1993			
Pre-1994 Loss available for the current year			
Less: Deducted in the current year			
(max. = adj. net income for the year)			
Expired after 10 years			
Pre-1994 Loss Carryforward			

(ii) Continuity of Other Eligible CMT Losses – Filing Corporation
(for losses occurring in tax years commencing after 1993)

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1996-09-30					
9th Prior Year	1997-09-30					
8th Prior Year	1998-09-30					
7th Prior Year	1999-09-30					
6th Prior Year	2000-09-30					
5th Prior Year	2001-09-30					
4th Prior Year	2001-12-31					
3rd Prior Year	2002-12-31					
2nd Prior Year	2003-12-31					
1st Prior Year	2004-12-31					
	Total					

Predecessor Corporations Only – Amalgamation

Indicate the amounts of eligible CMT losses from predecessor corporations. Do not include these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

**Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
London Hydro Inc.	1800266	2005-12-31

CMT Losses Carried Forward Workchart (continued)

Predecessor Corporations Only – Wind-Up

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
London Hydro Inc.	1800266	2005-12-31

CMT Credit Carryovers Workchart

Filing Corporation						
	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1996-09-30					
9th Prior Year	1997-09-30					
8th Prior Year	1998-09-30					
7th Prior Year	1999-09-30					
6th Prior Year	2000-09-30					
5th Prior Year	2001-09-30					
4th Prior Year	2001-12-31					
3rd Prior Year	2002-12-31					
2nd Prior Year	2003-12-31					
1st Prior Year	2004-12-31					
Total						

Predecessor Corporations Only – Amalgamation						
Indicate the amounts of CMT credit carryovers from predecessor corporations. Do not include these amounts in the 'opening balance' of the Filing Corporation.						
Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Predecessor Corporations Only – Wind-Up						
Indicate the amounts of CMT credit carryovers from predecessor corporations. Do not include these amounts in the 'opening balance' of the Filing Corporation.						
Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Corporation's Legal Name London Hydro Inc.	Ontario Corporations Tax Account No. (MOF) 1800266	Taxation Year End 2005-12-31
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Is the corporation electing under regulation 1101(5q)? 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No												
1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	109,255,609	368,745		0	109,624,354	184,373	109,439,981	4	0	0	4,377,599	105,246,755
2	55,699,224			70,246	55,628,978		55,628,978	6	0	0	3,337,739	52,291,239
3	5,807,219			89,031	5,718,188		5,718,188	5	0	0	285,909	5,432,279
8	4,644,701	228,296		0	4,872,997	114,148	4,758,849	20	0	0	951,770	3,921,227
10	3,708,058	1,239,874		5,000	4,942,932	617,437	4,325,495	30	0	0	1,297,649	3,645,283
12	927,796	1,126,412		0	2,054,208	563,206	1,491,002	100	0	0	1,491,002	563,206
47		9,647,347		0	9,647,347	4,823,674	4,823,673	8	0	0	385,894	9,261,453
Totals	180,042,607	12,610,674		154,277	192,489,004	6,302,838	186,186,166				12,127,562	180,361,442

Enter in boxes **650** **650** on the CT23.

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

London Hydro Inc.
Ontario CT23 return
Taxation year ended December 31, 2005

Other Reserves not deductible for income tax purposes

	<u>(\$'000's)</u>
UCC at December 31, 2005	<u>181,831</u>
NBV at December 31, 2005 Capital Assets	167,224
Less Non Depreciable Assets	
WIP	(2,774)
Land and land rights	<u>(611)</u>
	<u>163,839</u>
	17,992
Employee Future Benefits	7,720
	<u><u>25,712</u></u>

London Hydro Inc.
Taxation Instalment Accounts - Account No 1800266
For the year ended December 31, 2005

Balance per Instalment Account March 3, 2006	5,086,130
Allocated to liability per T2 filed	(2,604,845)
Remainder applied to liability per Ct23	<u><u>2,481,285</u></u>