

Continuity of non-capital losses and request for a carryback (cont'd)

Deduct:

Amount applied against taxable income (enter on line 331 of the T2 return)	<input type="text" value="130"/>	960,016	
Amount applied against taxable dividends subject to Part IV tax	<input type="text" value="135"/>	0	
Section 80 - Adjustments for forgiven amounts	<input type="text" value="140"/>	0	
Subsection 111(10) - Adjustments for fuel tax rebate		0	
Other adjustments	<input type="text" value="150"/>	0	960,016

		Subtotal	671,395

Deduct - Request to carry back non-capital loss to:

First preceding taxation year to reduce taxable income	<input type="text" value="901"/>	0	
Second preceding taxation year to reduce taxable income	<input type="text" value="902"/>	0	
Third preceding taxation year to reduce taxable income	<input type="text" value="903"/>	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	<input type="text" value="911"/>	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	<input type="text" value="912"/>	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	<input type="text" value="913"/>	0	0

Non-capital losses - Closing balance	<input type="text" value="180"/>		671,395
			=====

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator Yes []Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately
preceding taxation year.

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year	<input type="text" value="200"/>	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation	<input type="text" value="205"/>	0	
Current-year capital loss (from Schedule 6 calculation)	<input type="text" value="210"/>	0	0
Add:			
Allowable business investment loss expired as non-capital loss	0 x 4/3 . . <input type="text" value="220"/>		0

		Subtotal	0
Deduct:			
Amount applied against current-year capital gain (see note 1)	<input type="text" value="225"/>	0	
Section 80 - Adjustments for forgiven amounts	<input type="text" value="240"/>	0	
Other adjustments	<input type="text" value="250"/>	0	0

		Subtotal	0

Part 2 - Capital losses (cont'd)

Continuity of capital losses and request for a carryback (cont'd)

Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)		Amount carried back (100%)	
First preceding taxation year	0	951	0	
Second preceding taxation year	0	952	0	
Third preceding taxation year	0	953	0	0

Capital losses - Closing balance		280		0
				=====

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4.

Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3.

For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determined by dividing the total taxable capital gain by the total capital gain.

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2

Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss is applied.

Part 3 - Farm losses

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year		0	
Deduct: Farm loss expired after 10 taxation years	300	0	
Farm losses at beginning of taxation year	302	0	
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation	305	0	
Current-year farm loss	310	0	0
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330	0	
Amount applied against taxable dividends subject to Part IV tax	335	0	
Section 80 - Adjustment forgiven amount	340	0	
Other adjustments	350	0	0

		Subtotal	0
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	921	0	
Second preceding taxation year to reduce taxable income	922	0	
Third preceding taxation year to reduce taxable income	923	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	0	0

Farm losses - Closing balance		380	0
			=====

Restricted Farm Loss Determination:

Is the corporation exempt from the restricted farm loss rules?

(A reply of "NO" triggers the restricted farm loss rules.) [Y/N] [Y]

Part 4 - Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485	0	A
Minus the deductible farm loss:			
\$2,500 plus B or C, whichever is less	2,500		
(Amount A above 0 - \$2,500) divided by 2 =	0	B	
	6,250	C	0
			2,500

Current-year restricted farm loss (enter this amount on line 410)			0
			=====

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year	400	0	
Deduct: Restricted farm loss expired after 10 taxation years	402	0	
Restricted farm losses at beginning of taxation year	405	0	
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation	410	0	0
Current-year restricted farm loss (enter on line 233 of Schedule 1)			
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430	0	
Section 80 - Adjustments for forgiven amounts	440	0	
Other adjustments	450	0	0

		Subtotal	0
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941	0	
Second preceding taxation year to reduce farming income	942	0	
Third preceding taxation year to reduce farming income	943	0	0

Restricted farm losses - Closing balance	480	0	
			=====

Note

The total losses for the year from all farming businesses are computed without including any scientific research expenses.

Part 5 - Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year	500	0	
Deduct: Listed personal property loss expired after seven taxation years	502	0	
Listed personal property losses at beginning of taxation year	510	0	
: Current-year listed personal property loss (from Schedule 6)			

		Subtotal	0
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530	0	
Other adjustments	550	0	0

		Subtotal	0

Part 5 - Listed personal property losses (cont'd)
Continuity of listed personal property loss and request for a carryback (cont'd)
Deduct - Request to carry back listed personal property loss to:

First preceding taxation year to reduce listed			
personal property gains	961	0	
Second preceding taxation year to reduce listed			
personal property gains	962	0	
Third preceding taxation year to reduce listed			
personal property gains	963	0	0

Listed personal property losses - Closing balance	580		0
			=====

Part 6 - Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	0	0	0	N/A	0	0
2002	981,199	N/A	0	N/A	309,804	0	671,395
2001	650,212	N/A	0	N/A	650,212	0	0
2001	0	N/A	0	N/A	0	0	0
2000	0	N/A	0	N/A	0	0	0
1999	0	N/A	0	N/A	0	0	0
1998	0	N/A	0	N/A	0	0	0
1997	0	N/A	0	N/A	0	0	0 *
Total	1,631,411	0	0	0	960,016	0	671,395

Farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	0	0	0	N/A	0	0
2002	0	N/A	0	N/A	0	0	0
2001	0	N/A	0	N/A	0	0	0
2001	0	N/A	0	N/A	0	0	0
2000	0	N/A	0	N/A	0	0	0
1999	0	N/A	0	N/A	0	0	0
1998	0	N/A	0	N/A	0	0	0
1997	0	N/A	0	N/A	0	0	0
1996	0	N/A	0	N/A	0	0	0
1995	0	N/A	0	N/A	0	0	0
1994	0	N/A	0	N/A	0	0	0 *
Total	0	0	0	0	0	0	0

Restricted farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	0	0	0	N/A	N/A	0
2002	0	N/A	0	N/A	0	N/A	0
2001	0	N/A	0	N/A	0	N/A	0
2001	0	N/A	0	N/A	0	N/A	0
2000	0	N/A	0	N/A	0	N/A	0
1999	0	N/A	0	N/A	0	N/A	0
1998	0	N/A	0	N/A	0	N/A	0
1997	0	N/A	0	N/A	0	N/A	0
1996	0	N/A	0	N/A	0	N/A	0
1995	0	N/A	0	N/A	0	N/A	0
1994	0	N/A	0	N/A	0	N/A	0 *
Total	0	0	0	0	0	N/A	0

* This balance expires this year and will not be available next year

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No.	UCC at Beginning of Year [200] [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	876,960	0	9,550,564	0	0	4	0	0	261,631	10,165,893
2	0	0	8,382,003	0	0	6	0	0	329,309	8,052,694
8	0	0	1,186,915	0	0	20	0	0	155,437	1,031,478
12	1,141,633	0	575,473	0	0	100	0	0	750,584	966,522
Total	2,018,593	0	19,694,955	0	0		0	0	1,496,961	20,216,587

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

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

Name	Ctry of resi- dence	Business Number (Note)	Rela- tion- ship Code	Number	% of	Number	% of	Book
				of common shares owned	of common shares owned	of preferred shares owned	pre- ferred shares owned	value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
Westario Power Services Inc.	892764614	RC0001	3	0	0.00	0	0.00	0
Westario Power Holdings Inc.	892764416	RC0001	1	0	0.00	0	0.00	0

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

Relationship code:

1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

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CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

- For use by a corporation that has eligible capital property. For more information, see the "T2 Corporation Income Tax Guide."
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward**Cumulative eligible capital - Balance at the end of the preceding taxation year**(if negative, enter "0") **200** 1,695,929 A

Add: Cost of eligible capital property acquired
during the taxation year **222** 0
Other adjustments **226** 0

Subtotal (line 222 plus line 226) 0 x 0.75 = 0 B

Non-taxable portion of a non-arm's
length transferor's gain realized on
the transfer of an eligible capital
property to the corporation after
December 20, 2002..... **228**

0 x 0.50 = 0 C

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

Amount transferred on amalgamation or wind-up of subsidiary **224** 0 ESubtotal (add amounts A, D, and E) **230** 1,695,929 F

Deduct: Proceeds of sale (less outlays and expenses not
otherwise deductible) from the disposition of
all eligible capital property during
the taxation year **242** 0 G

The gross amount of a reduction in respect of
a forgiven debt obligation as provided for in
subsection 80(7)..... **244** 0 H

Other adjustments **246** 0 I(add amounts G, H, and I) 0 x 0.75 = **248** 0 J

Cumulative eligible capital balance (amount F minus amount J) 1,695,929 K

(if amount K is negative, enter "0" at line M and proceed to Part 2)

Cumulative eligible capital for a property no longer

owned after ceasing to carry on that business **249** 0

amount K 1,695,929

less amount from line 249 0

Current year deduction 1,695,929 x 7.00% = **250** 77,734 *

(line 249 plus line 250) (enter this amount at line 405 of Schedule 1) 77,734 77,734 L

Cumulative eligible capital - Closing balance (amount K minus amount L)(if negative, enter "0") **300** 1,618,195 M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum
amount prorated by the number of days in the taxation year divided by 365.

Part 2 - Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

Amount from line K (show as a positive amount) 0 N

Total of cumulative eligible capital (CEC) deductions from income
for taxation years beginning after June 30, 1988 400 0 1Total of all amounts which reduced CEC in the current or
prior years under subsection 80(7) 401 0 2Total of CEC deductions claimed for taxation years
beginning before July 1, 1988 402 0 3Negative balances in the CEC account that were
included in income for taxation years beginning
before July 1, 1988 408 0 4

Line 3 minus line 4 (if negative, enter "0") 0 0 5

Total of lines 1, 2, and 5 0 6

Amounts included in income under paragraph 14(1)(b), as that
paragraph applied to taxation years ending after June 30, 1988
and before February 28, 2000, to the extent that it is for
an amount described at line 400 0 7Amounts at line T from Schedule 10 ending after
February 27, 2000 0 8Subtotal (line 7 plus line 8) 409 0 0 9

Line 6 minus line 9 (if negative, enter "0") 0 0 O

Line N minus line O (if negative, enter "0") 0 P

Line 5 0 x 1/2 = 0 Q

Line P minus line Q (if negative, enter "0") 0 R

Amount R 0 x 2/3 = 0 S

Amount N or amount O, whichever is less 0 T

Amount to be included in income (amount S plus amount T)(enter this amount on line 108 of Schedule 1) 410 0

Canada Customs and Revenue Agency/Agence des douanes et du revenu du 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)	<input type="text" value="025"/>	Year Month Day
Enter the calendar year to which the agreement applies	<input type="text" value="050"/>	Year
		2002

Allocation of the business limit (cont'd)

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 [Y/N] [N]

1	2	3	4	5	6
Names of associated corporations	Business Number of associated corporations	Association code	Business limit for the year (before the allocation) \$	Percentage of the business limit %	Business limit allocated * \$
<input type="checkbox"/> 100	<input type="checkbox"/> 200	<input type="checkbox"/> 300		<input type="checkbox"/> 350	<input type="checkbox"/> 400
Westario Power Inc. See attached	865909790RC0001	1	200,000	.0000 100.0000	0 200,000
			Total	100.0000	200,000 A
				=====	=====

* The % of the annual business limit required to maximize the small business deduction is .0000%.

100.0000% of the annual business limit can be attributed to an associated corporation.

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 a 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% x (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.

1	2	3	4	5	6	7
			Business limit (before the allo-	Percentage of the business limit %	Business limit allocated \$	Part I.3 Tax
Name of associated corporation [100]	Business Number of associated corporation [200]	Asso- ciation code [300]	cation) [350]			
Westario Power Services Inc.	892764614RC0001	1	200,000	100.0000	200,000	0
Westario Power Holdings Inc.	892764416RC0001	1	200,000	.0000	0	0
TOTALS			400,000	100.0000	200,000	0

Schedule 23-Supplementary

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

FIRST TIME FILER AFTER INCORPORATION, AMALGAMATION, OR WINDING-UP OF A SUBSIDIARY INTO A PARENT

This schedule must be filed by corporations for the first year of filing after incorporation, amalgamation, or by parent corporations filing for the first time after winding-up a subsidiary corporation(s) under section 88 of the "Income Tax Act" during the current taxation year.

Part 1 - Type of operation

100 For those corporations filing for the first time after incorporation or amalgamation, please identify the type of operation that applies to your corporation:

99 Other - if none of the previous descriptions apply

Part 2 - First year of filing after amalgamation

For the first year of filing after an amalgamation, please provide the following information:

Name of predecessor corporation(s)

Business Number
(Canadian corporations only)

200
Westario Power Inc.
Hanover Electric Services Inc.
Minto Hydro

300
865909790RC0001
865909790RC0001
865909790RC0001

Part 3 - First year of filing after wind-up of subsidiary corporation(s)

For the parent corporation filing for the first time after winding-up a subsidiary corporation(s) under section 88 of the "Income Tax Act," please provide the following information:

Name of subsidiary corporation(s)

Business Number
(Canadian corporations only)

Commencement
date of wind-up
(YYYY/MM/DD)

Date of
wind-up
(YYYY/MM/DD)

400

500

600

700

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PART I.3 TAX ON LARGE CORPORATIONS

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.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 I.3 tax for the purposes or 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 I.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 I.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 I.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	103,000
Capital stock (or members' contributions if incorporated without share capital).	103	14,064,719
Retained earnings.	104	941,512
Contributed surplus.	105	0
Any other surpluses.	106	0
Deferred unrealized foreign exchange gains.	107	0
All loans and advances to the corporation.	108	14,654,943
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations.	109	0
Any dividends declared but not paid by the corporation before the end of the year.	110	0
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	0

Part 1 - Capital (cont'd)

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 0

Subtotal 29,764,174 29,764,174 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year

121 0

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 0

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 0

The amount of deferred unrealized foreign exchange losses
at the end of the year

124 0

Subtotal 0 0 B

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

190 29,764,174

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 0

A loan or advance to another corporation (other than a financial institution)

402 0

A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)

403 0

Long-term debt of a financial institution

404 0

A dividend receivable on a share of the capital stock of another corporation

405 0

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 0

interest in a partnership (see note 1 below)

407 0

Investment allowance for the year

490 0

Part 2 - Investment allowance (cont'd)**Notes:**

- 1) 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.
- 2) 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)].
- 3) 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)	29,764,174	C
Deduct: Investment allowance for the year (line 490)	0	D
Taxable capital for the year		
(amount C minus amount D) (if negative, enter "0")	500 29,764,174	
	=====	

Part 4 - Taxable capital employed in Canada

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

Taxable capital for the year (line 500)			Taxable income earned in Canada			Taxable capital employed in Canada	
29,764,174	X		610	1,000		690	29,764,174
			-----	=			
			Taxable income	1,000			=====

- Notes:**
- 1) Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
 - 2) 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.
 - 3) In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

Part 4 - Taxable capital employed in Canada (cont'd)

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

0

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

0

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

0

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

0

Total deductions (add lines 711, 712, and 713)

0

0 E

Taxable capital employed in Canada

(line 701 minus amount E) (if negative, enter "0")

790

0

Note: 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 I.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies) 29,764,174

Deduct: Capital deduction claimed for the year (enter \$50,000,000 or, for related corporations, the amount allocated on Schedule 36)

801

10,000,000

Excess of taxable capital employed in Canada over capital deduction

811

19,764,174

Year	Line 811		Number of days	Number of days in the taxation year				
Before 2004	19,764,174	x	(239 /	239)	x	.2250% =	44,469	F
2004	19,764,174	x	(0 /	239)	x	.2000% =	0	G
2005	19,764,174	x	(0 /	239)	x	.1750% =	0	H
2006	19,764,174	x	(0 /	239)	x	.1250% =	0	I
2007	19,764,174	x	(0 /	239)	x	.0625% =	0	J

Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2007.

Subtotal (add amounts F to J)

44,469 K

ere the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax as follows:

Amount K 44,469 x Number of days in the year 239 = 29,118 L

365

Gross Part I.3 tax (amount K or L, whichever applies)

820

29,118

Part 6 - Calculation of gross Part I.3 tax for purposes of the unused surtax credit

Taxable capital employed in Canada (line 690 or 790, whichever applies)	29,764,174	M
Deduct: Capital deduction claimed for the year		
(1/5 of line 801 if the taxation year end after 2003)	10,000,000	N

Excess (amount M minus amount N) (if negative, enter "0")	19,764,174	O
	=====	
Amount O 19,764,174 x .2250% =	44,469	P

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax for purposes of the unused surtax credit as follows:

Amount P 44,469 x	Number of days in the year 239	=	29,118	Q
	-----		=====	
	365			

Gross Part I.3 tax for purposes of the unused surtax credit

(amount P or Q, whichever applies)	821	29,118
		=====

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.

If 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	0	a	
b) line 700 from the T2 return	0	b	0 R

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

		line 690 of this schedule		
c) line 600 from the T2 return	0 x	29,764,174	=	0 c

		29,764,174		
		line 500 of this schedule		
d) line 700 from the T2 return			0 d	0 S

Current-year surtax credit available (amount R or S, whichever applies)	830	0
		=====

Part 8 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		0
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)		29,118

Current-year unused surtax credit (if negative, enter "0")	850	0
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)	29,118	T
-------------------------------------	--------	---

Deduct:

Current-year surtax credit applied

(line 820 or 830, whichever is less)	861	0
--	-----	---

Unused surtax credit from previous years applied

(amount from line 320 on Schedule 37)	862	0
---	-----	---

Subtotal (cannot be more than amount on line 820)	0	0 U
---	---	-----

Net Part I.3 tax payable (amount T minus amount U)	870	29,118
--	-----	--------

Enter this amount at line 704 of the T2 return.

Attached Sch.
2002-12-31

Bank indebtedness		1,573,094.00
Customer deposits		611,981.00
Long-term debt - current portion		21,200.00
Long-term - Shareholder's Loan current portion		2,560,303.00
Long Term Debt		9,888,365.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
Total		14,654,943.00

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 or \$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 I.3 tax.

Are any members of the related group liable to pay Part I.3 tax? [Y/N] [Y]

- 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.
- Attach additional schedules if space for agreement is not sufficient.

Agreement

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

Is this an amended agreement? [Y/N] [N]

Calendar year to which the agreement applies Year
2002

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 I.3 tax under subsection 181.1(3) does not have to be included.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year \$	Taxation year end to which this agreement applies (Note 2)
<input type="text" value="200"/>	<input type="text" value="300"/>	<input type="text" value="400"/>	<input type="text" value="500"/>
Westario Power Inc.	865909790RC0001	10,000,000	2002-12-31
See attached		0	
Total (Before 2004 must not exceed \$10,000,000 After 2003 must not exceed \$50,000,000)		10,000,000 =====	

Note 1: If a corporation is not registered, enter "NR."

Note 2: 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.

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 or \$50,000,000 among the members of the related group.
- 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.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year	Taxation year end to which this agreement applies (Note 2)
[200]	[300]	[400]	[500]
Westario Power Services Inc.	892764614RC0001	0	
Westario Power Holdings Inc.	892764416RC0001	0	
TOTAL		0	

Note 1: If a corporation is not registered, enter "NR."

Note 2: 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.

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION

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

Name of shareholder	Business Number	Social Insurance Number	Percentage common shares	Percentage preferred shares
	(note 1)	(note 2)		
	100	200	400	500
Westario Power Holdings Inc.	892764416RC0001		100.00	100.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

Schedule of Instalment Remittances

Name of Corporation Contact:
 Telephone Number:

Effective Interest Date	Description (Instalment Remittance, Split Payment, Assessed Credit)	Amount of Credit
		27,960
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
	Total amount of instalments claimed (A)	27,960
		=====
	Total instalments credited to the taxation year per T9 (B)	27,960
		=====

TRANSFER

Amount Number	Taxation Year End	Amount	Effective Interest Date	Description
From:				
		0		
To:				

Appendix 21

2002 CT23 Provincial Tax Return



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

Revised 2001 CT23 Corporations Tax and Annual Return

For taxation years
commencing after May 4, 1999

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) 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**, together with the applicable schedules. 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 MCBS Schedules A or K) 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.

Ministry Use		
MCBS Annual Return Required? (Refer to Guide) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
Page 1 of 24		
Corporation's Legal Name (including punctuation) and Mailing Address Westario Power Inc. Westario Power Inc. 385 Queen Street Kincardine ON CA N2Z-2R4		Ontario Corporations Tax Account No. (MOF) 1800339 This CT23 Return covers the Taxation Year Start year month day 2002-01-01 End year month day 2002-05-06
Has address changed since last filed CT23 Return? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Date of Change year month day	Date of Incorporation or Amalgamation year month day 2000-10-31
Registered/Head Office Address Westario Power Inc. 385 Queen Street Kincardine ON CA N2Z-2R4		Ontario Corporation No. (MCBS) 1447793
Location of Books and Records Westario Power Inc. 385 Queen Street Kincardine ON CA N2Z-2R4		Canada Customs and Revenue Agency (formerly Revenue Canada) Business No. If applicable, enter 865909790RC0001
Name of person to contact regarding this CT23 Return PAT BELL	Telephone No.	Fax No.
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS) ON CA -		If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced year month day Ceased year month day (Not Applicable) <input checked="" type="checkbox"/>
Former Corporation Name (Extra-Provincial Corporations only) (Not Applicable) <input checked="" type="checkbox"/> (MCBS)		
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS).		No. of Schedule(s) 0 Ministry use <input checked="" type="checkbox"/> No change
Preferred Language/Langue de préférence English <input checked="" type="checkbox"/> French <input type="checkbox"/> anglais français		
Ministry use		
Certification (MCBS)		
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) PAT BELL Title: <input type="checkbox"/> Director <input type="checkbox"/> Officer <input checked="" type="checkbox"/> Other individual having knowledge of the affairs of the Corporation Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.		

stario Power Inc.

1800339

2002-05-06

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

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) %

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office no.)

if applicable, enter

Ontario Employer Health Tax Account No.
(Use Head Office no.)

if applicable, enter

Specify major business activity

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-residents 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)

Please "X" box(es) if applicable:

☐ First Year of Filing

☐ Amended Return

☒ Taxation Year End has changed - Canada Customs
and Revenue Agency (formerly Revenue Canada)
approval required

☐ Final Taxation Year up to Dissolution (wind-up)

☒ Final Taxation Year before Amalgamation

☐ Floating Fiscal Year End

☐ Transfer or Receipt of Asset(s) involving a
corporation having a Canadian permanent
establishment outside Ontario

☐ Acquisition of Control fed s.249(4)

Date Control was acquired

year month day

Was the corporation inactive throughout the taxation year?

Yes No
☐ ☒

Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?

☒ ☐

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?

☐ ☒

Winstario Power Inc.

1800339

2002-05-06

DOLLARS ONLY

Income Tax

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) (Inter. Bulletin 2617). Attach a schedule (or a copy of federal T2 SCH 5) showing allocation of gross revenue, salaries and wages, including applicable percentages.

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 16)	±	From 690	-736,880.
Subtract: Charitable donations	-	1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule)	-	2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3	-	3	0.
Subtract: Ontario political contributions (Attach schedule)	-	4	0.
Subtract: Federal Part VI.1 tax	0. X 9/4	5	0.
Subtract: Prior years' losses applied - Non-capital losses	-	From 704	0.
Net capital losses	From 715 (page 17) 0. X inclusion rate 50.000000% =	714	0.
Farm losses	-	From 724	0.
Restricted farm losses	-	From 734	0.
Limited partnership losses	-	From 754	0.
Taxable Income (Non-capital loss)	=	10	-736,880.
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	0.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=	20	0.

Taxable Income

From 10 (or 20 if applicable)	0. x 30	100.0000% X 15.5000% X	22	0	÷ 73	126	= + 23	0.
Ontario Allocation								
From 10 (or 20 if applicable)	0. x 30	100.0000% X 14.5000% X	24	0	÷ 73	126	= + 25	0.
Ontario Allocation								
From 10 (or 20 if applicable)	0. x 30	100.0000% X 14.0000% X	26	0	÷ 73	126	= + 27	0.
Ontario Allocation								
From 10 (or 20 if applicable)	0. x 30	100.0000% X 12.5000% X	28	126	÷ 73	126	= + 29	0.
Ontario Allocation								
From 10 (or 20 if applicable)	0. x 30	100.0000% X 11.0000% X	31	0	÷ 73	126	= + 32	0.
Ontario Allocation								
Income Tax Payable (before deduction of tax credits)			23 + 25 + 27 + 29 + 32				= 40	0.

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	0.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+	51	0.
Add: Losses of other years deducted for federal purposes (fed.s.111)	+	52	0.
Subtract: Losses of other years deducted for Ontario purposes (s.34)	-	53	0.
	=	54	0.
Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding \$ 200,000) (Attach federal T2 SCH 23 if associated)	+	55	0.

Add: Ontario enhancement of federal business limit

Number of Days in Taxation Year	
Days after Dec 31, 2000 and before Oct 1, 2001	Total Days
0 ÷ 73	126
J,000 x	
X From 55 0 ÷ 200,000	= + 42 0.
Number of Days in Taxation Year	
Days after Sept 30, 2001 and before Jan 1, 2003	Total Days
126 ÷ 73	126
80,000 x	
X From 55 0 ÷ 200,000	= + 43 0.
Number of Days in Taxation Year	
Days after Dec 31, 2002 and before Jan 1, 2004	Total Days
0 ÷ 73	126
120,000 x	
X From 55 0 ÷ 200,000	= + 46 0.
Ontario enhancement of federal business limit	42 + 43 + 46 = 44 0.
Business Limit for Ontario purposes	55 + 44 = 99 0.
Income eligible for the IDSBC	From 30 100.0000% X 56 0. = 60 0.

* Ontario Allocation

Least of 50, 54 or 45

* 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

Ontario Power Inc.

1800339

2002-05-06

DOLLARS ONLY

Income Tax continued from Page 4

Calculation of IDSBC Rate

		Number of Days in Taxation Year			
		Days after Dec 31, 1998 and before Jan 1, 2000	Total Days		
.....	7.00 %	74	0 ÷ 73 126	= +	75 .0000.
		Days after Dec 31, 1999 and before Oct 1, 2001	Total Days		
.....	7.50 %	76	0 ÷ 73 126	= +	77 .0000.
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
.....	6.50 %	28	126 ÷ 73 126	= +	79 6.5000.
		Days after Dec 31, 2002 and before Jan 1, 2004	Total Days		
.....	5.50 %	31	0 ÷ 73 126	= +	89 .0000.
IDSBC Rate for Taxation Year		75	+ 77 + 79 + 89	=	78 6.5000.

Claim From 60 0. X From 78 6.5000 % = 70 0.

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 in 114 below.

Surtax on Canadian-controlled private corporations (s.41.1)

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

****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.

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 0.

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)

See attached	82	96,139.
	83	.
	84	.
Aggregate Taxable Income	80 + 82 + 83 + 84, etc.	= 85 96,139.

		Number of Days in Taxation Year			
		Days before Jan 1, 2001	Total Days		
Subtract: 200,000	X	558	0 ÷ 73 126	= +	111 0.
		Days after Dec 31, 2000 and before Oct 1, 2001	Total Days		
240,000	X	26	0 ÷ 73 126	= +	112 0.
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
280,000	X	28	126 ÷ 73 126	= +	113 280,000.
		Days after Dec 31, 2002 and before Jan 1, 2004	Total Days		
320,000	X	31	0 ÷ 73 126	= +	115 0.
		111 + 112 + 113 + 115	=	280,000.	- 114 280,000.
(If negative, enter nil)					= 86 0.

		Number of Days in Taxation Year			
		Days after Dec 31, 1998 and before Jan 1, 2000	Total Days		
Calculation of Specified Rate for Surtax	4.67 %	74	0 ÷ 73 126	= +	92 .0000
		Days after Dec 31, 1999 and before Oct 1, 2001	Total Days		
	5.00 %	76	0 ÷ 73 126	= +	93 .0000
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
	4.3330 %	28	126 ÷ 73 126	= +	95 4.3330
		Days after Dec 31, 2002 and before Jan 1, 2004	Total Days		
	3.6670 %	31	0 ÷ 73 126	= +	96 .0000
Specified rate of surtax for Taxation Year		92	+ 93 + 95 + 96	=	94 4.3330
From 86 0. X From 94	4.3330 %			=	87 0.
From 87 0. X From 60	0. ÷ From 114	280,000.		=	88 0.
Surtax Lesser of 70 or 88				=	100 0

Continued on Page 6

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Income Tax *continued from Page 5***Additional Deduction for Credit Unions (s.51(4))** (Attach schedule)

110 0.

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 the federal T2 SCH 27 including necessary changes for Ontario tax purposes (e.g. different C.C.A. claimed).

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	0.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From 56	0.
Add: Adjustment for Surtax on Canadian-controlled private corporations		
From 100 0. ÷ From 30 100.0000 % ÷ From 78 6.5000 % = 121 0.		
Lesser of 56 or 121	122	0.
120 - 56 + 122	130	0.
Taxable Income	From 10	-736,880.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From 56	0.
Add: Adjustments for Surtax on Canadian-controlled private corporations	From 122	0.
Subtract: Taxable Income From 10 -736,880. X Allocation % to jurisdictions outside Canada .0000 %	140	0.
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	141	0.
10 - 56 + 122 - 140 - 141	142	0.

Number of Days in Taxation Year

Claim	Days before Oct 1, 2001	Total Days	
143 0. X From 30 100.0000 % X 2.0000 % X 152 0 ÷ 73 126 = + 153 0.			
Lesser of 130 or 142			
	Days after Sept 30, 2001 and before Jan 1, 2003	Total Days	
143 0. X From 30 100.0000 % X 1.5000 % X 28 0 ÷ 73 126 = + 154 0.			
Lesser of 130 or 142			
	Days after Dec 31, 2002 and before Jan 1, 2004	Total Days	
143 0. X From 30 100.0000 % X 1.0000 % X 31 0 ÷ 73 126 = + 155 0.			
Lesser of 130 or 142			
M&P claim for taxation year 153 + 154 + 155			160 0.

* 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 0.**Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity** = 162 0.**Credit for Foreign Taxes Paid (s.40)****Applies** if you paid tax to a jurisdiction outside Canada on foreign investment income (Info. Bulletins 15-79 & 2739) (Attach schedule).

170 0.

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 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 = 190 0.*continued on Page 7*

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Income Tax continued from Page 6**Specified Tax Credits** (Refer to Guide)**Ontario Innovation Tax Credit (OITC) (s.43.3)** Applies to research and development in Ontario.Eligible Credit From 5620 OITC Claim Form (Attach original Claim Form) + 191 0.**Co-operative Education Tax Credit (CETC) (s.43.4)** Applies to employment of eligible students.Eligible Credit From 5799 Summary Schedule F + 192 0.**Ontario Film & Television Tax Credit (OFTTC) (s.43.5)**

Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.

Eligible Credit From 5899 Claim Form Certified by Ontario Film Development Corporation
(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.) + 193 0.**Graduate Transitions Tax Credit (GTTC) (s.43.6)**

Applies to employment of eligible unemployed graduate students.

No. of Graduates From 6596
Eligible Credit From 6599 Summary Schedule G + 195 0.**Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)**

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

Eligible Credit From 6900 OBPTC Claim Form (Attach only the original Claim Form. Retain the Certification Form) + 196 0.**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 Claim Form Certified by Ontario Film Development Corporation
(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.) + 197 0.**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 0.**Ontario Production Services Tax Credit (OPSTC) (s.43.10)**

Applies to qualifying Ontario labour expenditures for eligible non-Canadian content film and television productions.

Eligible Credit From 7300 Claim Form certified by Ontario Film Development Corporation
(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.) + 199 0.**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 Claim Form certified by Ontario Film Development Corporation
(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.) + 200 0.**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 only the original Claim Form. Retain the Certification Form) + 201 0.

Other (specify) + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 0.**Specified Tax Credits Applied to reduce Income Tax** = 225 0.**Income Tax** 190 - 225 OR Enter NIL if reporting Non-Capital Loss = 230 0.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 18**.

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**.

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Corporate Minimum Tax (CMT)

Determination of Applicability

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

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

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.

* Total Assets of the corporation + [240] 21,302,066.
 * Total Revenue of the corporation + [241] 29,179,876.

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

See attached + [243] 30,969,231. + [244] 4,207,801.

..... + [245] + [246]

..... + [247] + [248]

Aggregate Total Assets [240] + [243] + [245] + [247], etc. = [249] 52,271,297.

Aggregate Total Revenue [241] + [244] + [246] + [248], etc. = [250] 33,387,677.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedules A through E** on Pages 19, 20 and 21 of CT23.

Calculation: CMT (Attach Schedule A: Calculation of CMT Base on Page 19.)

CMT Payable CMT Base From [2135] 0. X From [30] 100.0000% X 4% = [276] 0.
 If negative, enter zero Ontario Allocation

Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) - [277] 0.

Subtract: Income Tax - From [190] 0.

Net CMT Payable (If negative, enter Nil on Page 18.) = [280] 0.

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 18.

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 18 and transfer [280] to Page 18, and to Schedule D: Continuity of CMT Credit Carryovers, on Page 21.

CMT Credit Carryover available From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) + From [190] 0.

Gross CMT Payable + From [276] 0.

Subtract: Foreign Tax Credit for CMT purposes - From [277] 0.

If [276] - [277] is negative, enter NIL in [290] = 0. - [290] 0.

Income Tax eligible for CMT Credit = [300] 0.

B. Income tax (after deduction of specified credits) + From [230] 0.

Subtract: CMT credit used to reduce income taxes - [310] 0.

Income Tax = [320] 0.

Transfer to page 18

If A & B apply, [310] cannot exceed the lesser of [230], [300] and your CMT credit carryover available [2307].

If only B applies, [310] cannot exceed the lesser of [230] and your CMT credit carryover available [2307].

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Capital Tax (Refer to Guide)

If your corporation is a Financial Institution (s.58(2)), proceed to page 14.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in [480] and [430] are both \$1,000,000 or less and the taxation year ends on or after January 1, 2000, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in [480] and [430] are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, it is exempt from Capital Tax for the taxation year. 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 13 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. 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 (Inf.B.15-79, Int.B.L-12 and Int.B.L-16)

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(a) or (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).

Paid-up Capital

Paid-up capital stock	+ [350]	10,562,604.
Retained earnings (if deficit, deduct)	+ [351]	-1,465,860.
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	+ [352]	0.
Loans and advances (Attach schedule)	+ [353]	10,116,256.
Bank loans	+ [354]	55,574.
Bankers acceptances	+ [355]	0.
Bonds and debentures payable	+ [356]	0.
Mortgages payable	+ [357]	0.
Liabilities payable	+ [358]	0.
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)	+ [359]	0.
Contingent, investment, inventory and similar reserves	+ [360]	0.
Other reserves not allowed as deductions for income tax purposes (Attach schedule)	+ [361]	894,443.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s))	+ [362]	0.
Subtotal	= [370]	20,163,017.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.)	- [371]	0.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	- [372]	0.
Total Paid-up Capital	= [380]	20,163,017.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	- [381]	0.
Net Paid-up Capital	= [390]	20,163,017.

Eligible Investments (Refer to Guide)

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, term deposits, 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.

Term deposits and investment certificates in foreign financial institutions for taxation years ending prior to December 15, 1999 (Refer to Guide)	+ [400]	0.
Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ [402]	0.
Mortgages due from other corporations	+ [403]	0.
Shares in other corporations (certain restrictions apply) (Refer to Guide)	+ [404]	0.
Loans and advances to unrelated corporations	+ [405]	0.
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	+ [406]	0.
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	+ [407]	0.
Total Eligible Investments	= [410]	0.

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Capital Tax *continued from Page 9***Total Assets**

Total Assets per balance sheet	+	420	21,302,066.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets (<i>Attach schedule</i>)	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	-	423	0.
Total Assets as adjusted	=	430	21,302,066.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	0.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	21,302,066.

Investment Allowance	(410 ÷ 450) × 390	Not to exceed 410	= 460	0.
Taxable Capital	390 - 460		= 470	20,163,017.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	10,073,053.
Total Assets (as adjusted)	From 430	21,302,066.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2001) of the CT23 may only be used for a taxation year that commenced on or after May 5, 1999.

(Financial Institutions use calculations on page 14.)

- 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, review only the capital tax calculations in Section B and select and complete the one specific subsection (e.g. B4) that applies to the corporation.
- OR** If the corporation IS a member of an associated group and/or partnership, complete Section C. Next review, and if applicable, complete Section D. If Section D is not applicable review Section E and complete the applicable subsection: either E1 or E2. Note: if the corporation is a member of a connected partnership, please refer to the 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.

Enter NIL in 550 on page 13 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership.

- 1.** If the taxation year end is before January 1, 2001 and 430 and 480 are both \$1,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.
- B2.** If the taxation year end is after December 31, 2000 and 430 and 480 are both \$1,500,000 or less, enter NIL in 550 on page 13 and complete the return from that point.
- B3.** If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.
- B4.** If taxable capital, 470 on page 10 is \$2,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

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Capital Tax Calculation *continued from page 10*

B5. If taxable capital, 470 exceeds \$2,000,000 but is \$5,000,000 or less, complete the following calculations and transfer the total from 508 to 543 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From 470 $0. \times .3000\% = +$ 490 $0.$

Deduct: From 470

\$2,400,000 - 0. X 1.5% = - 492 0.

(504 = 490 - 492) = 504 0. X From 30 100.0000% X 0 = + 505 0.

Ontario Allocation ** 365
(366 if leap year)

Days in taxation year after May 4, 1999 and before Jan 1, 2000 552

If 2,400,000 - 470 is negative, enter NIL in 492

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(b) From 470 $0. \times .3000\% = +$ 490 $0. \times .3000\% = +$ 490

Deduct:	From 470	If 2,800,000 - 470 is negative, enter NIL in 493	Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 553
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> \$2,800,000 - 0 </div>	X 0.75%	= - 493 0	
(506 = 490 - 493)		= 506 0 X From 30 100.0000 % X 0 = + 507 0	
		Ontario Allocation	** 365 (366 if leap year)

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(c) From 470 $0. \times .3000\% = +$ 490

Deduct: From 470

\$3,200,000 - 0 X 0.5% = - 495 0

(509 = 490 - 495) = 509 0 X From 30 100.0000% X 0 = + 522 0

Ontario Allocation ** 365 (366 if leap year)

Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 554

If 3,200,000 - 470 is negative, enter NIL in 495

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(d) Capital Tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose taxable capital is \$5,000,000 or less and that is not associated, is NIL. + 0.

Total Capital Tax for the taxation year 505 + 507 + 522 = 508 _____ 0.

Transfer to **543** on page 13
and complete the return from that point.

B6. If 470 exceeds \$5,000,000, complete the following calculations and transfer the amount from 508 to 543 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

$$\begin{array}{rcll} \text{(a) From } 470 & \times & \text{From } 30 & \times 100.0000\% \times .3000\% \times \frac{0}{365} \dots\dots = + 502 \times 0 \\ & & \text{Ontario Allocation} & \text{Days in taxation year before Oct 1, 2001} \\ & & & \text{559} \end{array}$$

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) From 470 0.

Exemption – 0.

$$= \boxed{471} \text{ } 0. \times \frac{\text{From } \boxed{30} \text{ } \boxed{100.0000} \%}{\text{Ontario Allocation}} \times .3000\% \times \frac{\boxed{560} \text{ } \boxed{126}}{\text{** } \boxed{365}} \dots\dots = + \boxed{523} \text{ } 0$$

(366 if leap year)

Total Capital Tax for the taxation year $\boxed{502} + \boxed{523}$ = $\boxed{508}$ 0

Transfer to **543** on page 13
and complete the return from that point.

**** If floating taxation year, refer to Guide.**

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Capital Tax Calculation *continued from page 11***SECTION C**

If the corporation is a member of an associated group and/or partnership, complete the following two aggregate taxable capital calculations as applicable, and

(x) ☐ 510 ☒ (Yes)

Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.

Taxable Capital of the corporation + From ☐ 470 20,163,017.

Calculation 1

Determine aggregate taxable capital of an associated group and/or partnership having a permanent establishment in Canada

Names of associated corporations or related partners having a permanent establishment in Canada

See attached

Aggregate Taxable Capital ☐ 470 + ☐ 531 = ☐ 540 29,583,571.

Taxable Capital

☐ 531 9,420,554.☐ 540 29,583,571.

If ☐ 540 above is \$5,000,000 or less, the corporation's Capital Tax for the portion of the taxation year after September 30, 2001, is NIL.

Enter NIL in ☐ 523 in E1(d) or E2(b), as applicable.

If ☐ 540 above is greater than \$5,000,000, the corporation must compute its share of the \$5,000,000 exemption below in order to calculate its Capital Tax for the portion of the taxation year after September 30, 2001.

From ☐ 470 20,163,017. ÷ From ☐ 540 29,583,571. × 5,000,000 = ☐ 541 3,407,806.
Transfer to Section E2(b)

Calculation 2

Determine aggregate taxable capital of an associated group and/or partnership that does NOT have a permanent establishment in Canada

Names of Canadian & Foreign associated corporations or related partners having a permanent establishment in Canada

Total Aggregate Taxable Capital ☐ 540 + ☐ 514 = ☐ 520 29,583,571.

Taxable Capital

☐ 514 0.☐ 520 29,583,571.

If ☐ 520 is greater than \$2,000,000 and less than \$3,200,000 and a portion of the taxation year is before October 1, 2001, the corporation must compute the following ratio.

From ☐ 470 20,163,017. ÷ From ☐ 520 0. = ☐ 521 .0000.
Transfer to Section E1(a) and/or (b) and/or (c) as applicable

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital at ☐ 520 is \$2,000,000 or less.

Enter NIL in ☐ 550 and complete the return from that point.

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Capital Tax Calculation *continued from Page 12***SECTION E**

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital at [520] exceeds \$2,000,000.

E1. If the total aggregate taxable capital [520] exceeds \$2,000,000 but is \$3,200,000 or less, complete the following calculations and transfer the total From [508] to [543] and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From [470] 0. x .3000% = + [490] 0.
 Deduct: From [520] 0. x 1.5% x From [521] .0000 = - [492] 0.
 (\$2,400,000 - 0.) x 1.5% x .0000 = - [492] 0.
 ([504] = [490] - [492]) = [504] 0. x [100.0000] % x 0 = + [505] 0.
 Days in taxation year after May 4, 1999 and before Jan 1, 2000 [552] 365
 Ontario Allocation ** 365 (366 if leap year)

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(b) From [470] 0. x .3000% = + [490] 0.
 Deduct: From [520] 0. x 0.75% x From [521] .0000 = - [493] 0.
 (\$2,800,000 - 0.) x 0.75% x .0000 = - [493] 0.
 ([506] = [490] - [493]) = [506] 0. x [100.0000] % x 0 = + [507] 0.
 Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 [553] 365
 Ontario Allocation ** 365 (366 if leap year)

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(c) From [470] 0. x .3000% = + [490] 0.
 Deduct: From [520] 0. x 0.5% x From [521] .0000 = - [495] 0.
 (\$3,200,000 - 0.) x 0.5% x .0000 = - [495] 0.
 ([509] = [490] - [495]) = [509] 0. x [100.0000] % x 0 = + [522] 0.
 Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 [557] 365
 Ontario Allocation ** 365 (366 if leap year)

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(d) Capital Tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose total aggregate taxable capital at [540] is \$5,000,000 or less is NIL. Enter NIL = + [523] 0.

Total Capital Tax for the taxation year [505] + [507] + [522] + [523] = [508] 0.
 Transfer to [543] and complete the return from that point.

E2. If the total aggregate taxable capital at [520] exceeds \$3,200,000 complete the following calculations and transfer the total From [508] to [543], and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From [470] 20,163,017. x From [30] 100.0000 % x .3000% x 0 = + [502] 0.
 Days in taxation year before Oct 1, 2001 [555] 365
 Ontario Allocation ** 365 (366 if leap year)

Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b) From [470] 20,163,017.
 From [541] (section C) - 3,407,806.
 = [471] 16,755,211. x From [30] 100.0000 % x .3000% x 126 = + [523] 17,352.
 Days in taxation year after Sept 30, 2001 [560] 365
 Ontario Allocation ** 365 (366 if leap year)

Total Capital Tax for the taxation year [502] + [523] = [508] 17,352.
 ** If floating taxation year, refer to Guide. Transfer to [543] and complete the return from that point.

Capital Tax before application of specified credits = [543] 17,352.

Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide) = [546] 0.

Capital Tax [543] - [546] = [550] 17,352.

continued on Page 14

Transfer to Page 18

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Capital Tax *continued from page 13***Calculation of Capital Tax for Financial Institutions****I.1. Credit Unions only**For taxation years commencing after May 4, 1999 enter NIL in **550** on page 13, and complete the return from that point.**I.2. Other than Credit Unions**(Retain details of calculations for amounts in boxes **565** and **570**. Do not submit with this tax return.)

$$\begin{array}{l} \text{565} \quad 0. \times 0.00\% \quad \text{X From } 30 \quad \text{Ontario Allocation} \quad \times \quad \frac{\text{Days in taxation year}}{366 \text{ (if leap year)}} = + \text{569} \quad 0. \\ \text{Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1} \end{array}$$

$$\begin{array}{l} \text{570} \quad 0. \times \text{571} \quad 0.00\% \quad \text{X From } 30 \quad \text{Ontario Allocation} \quad \times \quad \frac{\text{Days in taxation year}}{366 \text{ (if leap year)}} = + \text{574} \quad 0. \\ \text{Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount} \quad \text{Capital Tax Rate (Refer to Guide)} \end{array}$$

$$\text{Capital Tax for Financial Institutions – other than Credit Unions (before Sections II)} \quad \text{569} + \text{574} = \text{575} \quad 0.$$

**** If floating taxation year, refer to Guide.****II. Small Business Investment Tax Credit**

(For 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.)

$$\text{Allowable Credit for Eligible Investments} \quad \dots \quad - \text{585} \quad 0.$$

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

$$\text{Capital Tax – Financial Institutions} \quad \text{575} - \text{585} \quad \dots \quad = \text{586} \quad 0. \\ \text{Transfer to } \text{543} \text{ on Page 13}$$

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

$$\begin{array}{l} \text{(1) Uninsured Benefits Arrangements} \quad \dots \quad \text{587} \quad 0. \times 2\% \quad \dots \quad = \text{588} \quad 0. \\ \text{Applies to Ontario-related uninsured benefits arrangements.} \end{array}$$

(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.

$$\text{Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)} \quad \dots \quad - \text{589} \quad 0.$$

$$\text{Premium Tax} \quad \text{588} - \text{589} \quad \dots \quad = \text{590} \quad 0. \\ \text{Transfer to page 18}$$

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 SCH 1

+ 600 -736,880.

Transfer to page 16

Add:

Federal capital cost allowance	601	389,773.
Federal cumulative eligible capital deduction	602	31,539.
Ontario taxable capital gain	603	0.
Federal non allowable reserves. Balance beginning of year	604	0.
Federal allowable reserves. Balance end of year	605	0.
Ontario non-allowable reserves. Balance end of year	606	0.
Ontario allowable reserves. Balance beginning of year	607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608	0.
Federal resource allowance	609	0.
Federal depletion allowance	610	0.
Federal foreign exploration and development expenses	611	0.
Management fees, rents, royalties and similar payments to non-arm's length non-residents		

Number of Days in Taxation Year

	Days before May 2, 2000	Total Days	
612 0. x 5 ÷ 15.5000 x	22 0 ÷ 73	126	= + 630 0.

	Days after May 1, 2000 and before Jan 1, 2001	Total Days	
612 0. x 5 ÷ 14.5000 x	24 0 ÷ 73	126	= + 631 0.

	Days after Dec 31, 2000 and before Oct 1, 2001	Total Days	
612 0. x 5 ÷ 14.0000 x	26 0 ÷ 73	126	= + 632 0.

	Days after Sept 30, 2001 and before Jan 1, 2003	Total Days	
612 0. x 5 ÷ 12.5000 x	28 126 ÷ 73	126	= + 633 0.

	Days after Dec 31, 2002 and before Jan 1, 2004	Total Days	
612 0. x 5 ÷ 11.0000 x	31 0 ÷ 73	126	= + 634 0.

Total add-back amount for Management fees, etc. 630 + 631 + 632 + 633 + 634 = 0. + 613 0.

Federal allowable business investment loss + 620 0.

Total of other items not allowed by Ontario but allowed federally (Attach schedule) + 614 0.

Federal Scientific Research Expenses claimed in year from federal form T661 0.

Negative Ontario SR&ED Pool amounts from Ontario schedule 161 line 473 + 0.

= 0. + 615 0.

Subtotal of Additions 601 to 611 + 613 + 620 + 614 + 615 = 421,312. 640 421,312.

Transfer to page 16

Ontario Power Inc.

1800339

2002-05-06

DOLLARS ONLY

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

continued from Page 15

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 From + 600 -736,880.

Subtotal of Additions From + 640 421,312.

Deduct:

Ontario capital cost allowance + 650 389,773.

Ontario cumulative eligible capital deduction + 651 31,539.

Federal taxable capital gain + 652 0.

Ontario non-allowable reserves. Balance beginning of year + 653 0.

Ontario allowable reserves. Balance end of year + 654 0.

Federal non-allowable reserves. Balance end of year + 655 0.

Federal allowable reserves. Balance beginning of year + 656 0.

Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE)
(Retain calculations. Do not submit.) + 657 0.

Ontario depletion allowance + 658 0.

Ontario resource allowance + 659 0.

Ontario research and development super allowance (Attach schedule) + 660 0.

Government Assistance relating to provincial deductions for scientific research and
experimental development added back for federal income tax purposes as a result of
the Federal 2000 Budget + 674 0.

Ontario current cost adjustment (Attach schedule) + 661 0.

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 0.

ONTTI Gross-up deduction calculation:

From Gross-up of CCA

0. x 100

From 30 0.0000

Ontario Allocation

- From 662 0. = 663 0.

Workplace Child Care Tax Incentive: (Applies to qualifying expenditures incurred after May 5, 1998.)

Qualifying expenditures: 665 0. x 30.00% x 100

From 30 100.0000

Ontario Allocation

= 666 0.

Workplace Accessibility Tax Incentive: (Applies to qualifying expenditures incurred after July 1, 1998.)

Qualifying expenditures: 667 0. x 100.00% x 100

From 30 100.0000

Ontario Allocation

= 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI): (Applies to the eligible acquisition of school buses made within the 3 year period commencing after May 4, 1999.) (Refer to Guide)

Qualifying expenditures: 670 0. x 30.00% x 100

From 30 100.0000

Ontario Allocation

= 671 0.

Educational Technology Tax Incentive: (Applies to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: 672 0. x 15.00% x 100

From 30 100.0000

Ontario Allocation

= 673 0.

Ontario allowable business investment loss + 678 0.Ontario Scientific Research Expenses claimed in the year from Ontario form CT161 ... + 679 0.Total of other deductions allowed by Ontario (Attach schedule) + 664 0.

Subtotal of Deductions

650 to 660 + 674 + 661 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 664 = 421,312. 680 421,312.

Net income (loss) for Ontario Purposes 600 + 640 - 680 = 690 -736,880.

Transfer to Page 4

tario Power Inc.

1800339

2002-05-06

DOLLARS ONLY

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 488,310	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add:						
Current year's losses (7)	701 736,880	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
Subtotal	703 736,880	713 0	723 0	733 0	743 0	753 0
Subtract:						
Utilized during the year to reduce taxable income	704 0	715 (4) 0	724 0	734 (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 18 0	716 (2) to Page 18 0	726 (2) to Page 18 0	736 (2) to Page 18 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 1,225,190	719 0	729 0	739 0	749 0	759 0

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) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) In the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance 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 (9) (10)	Farm Losses	Restricted Farm Losses
800 1994-09-30				850 0	870 0
801 1995-09-30				851 0	871 0
802 1996-09-30				852 0	872 0
803 1997-09-30	820 0	830 0	840 0	853 0	873 0
804 1998-09-30	821 0	831 0	841 0	854 0	874 0
805 1999-09-30	822 0	832 0	842 0	855 0	875 0
806 2000-09-30	823 0	833 0	843 0	856 0	876 0
807 2001-09-30	824 0	834 0	844 0	857 0	877 0
808 2001-12-31	825 488,310	835 0	845 0	858 0	878 0
809 2002-05-06	826 736,880	836 0	846 0	859 0	879 0
Total	829 1,225,190	839 0	849 0	869 0	889 0

Staro Power Inc.

1800339

2002-05-06

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	910 736,880	920 0	930 0	940 0
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) 3rd preceding	901 0	921 0	931 0	941 0
ii) 2nd preceding	902 0	922 0	932 0	942 0
iii) 1st preceding	903 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 736,880	929 0	939 0	949 0

Summary

Income tax	..... + From 230 or 320	0.
Corporate Minimum Tax	..... + From 280	0.
Capital Tax	..... + From 550	17,352.
Premium Tax	..... + From 590	0.
Total Tax Payable	..... = 950	17,352.
Subtract: Payments	..... - 960	17,352.
Capital Gains Refund (s.48)	- 965	0.
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- 985	0.
Specified Tax Credits (Refer to Guide)	- 955	0.
Other (specify)	-	0.
Balance	..... = 970	0.
If payment due	..... Enclosed *	990 0.
If overpayment: Refund (Refer to Guide)	.. = 975	0.
Apply to	..... year month day 980	0.

(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.

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)

PAT BELL

Title

Finance Manager

Full Residence Address

385 Queen Street

ON CA N2Z-2R4

Signature

Date

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

Estario Power Inc.

1800339

2002-05-06

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

DOLLARS ONLY

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.

Net Income/Loss (unconsolidated, determined in accordance with GAAP)



± [2100] -542,223.

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

Provision for recovery of income taxes	+	[2101]	0.
Provision for deferred income taxes (credits)	+	[2102]	0.
Equity income from corporations	+	[2103]	0.
Share of partnership(s)/joint venture(s) income	+	[2104]	0.
Dividends received/receivable deductible under fed.s.112	+	[2105]	0.
Dividends received/receivable deductible under fed.s.113	+	[2106]	0.
Dividends received/receivable deductible under fed.s.83(2)	+	[2107]	0.
Federal Part VI.1 tax paid on dividends declared and paid after May 5, 1997, under fed.s.191.1(1)	+	[2108]	0.
			0. X 9/4
Subtotal	=		[2109] 0.

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

Provision for current taxes	+	[2110]	8,791.
Provision for deferred income taxes (debits)	+	[2111]	0.
Equity losses from corporations	+	[2112]	0.
Share of partnership(s)/joint venture(s) losses	+	[2113]	0.
Dividends that have been deducted to arrive at net income per Financial Statements. <i>Applies</i> to dividends that have been declared and paid after May 5, 1997, s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+	[2114]	0.
Subtotal	=		[2115] 8,791.

Add/Subtract:

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

** Fed.s.85	+	[2116]	0.	or -	[2117]	0.
** Fed.s.85.1	+	[2118]	0.	or -	[2119]	0.
** Fed.s.97	+	[2120]	0.	or -	[2121]	0.
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	+	[2122]	0.	or -	[2123]	0.
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	+	[2124]	0.	or -	[2125]	0.
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	+	[2126]	0.	or -	[2127]	0.
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income	-	[2150]	0.			

Subtotal (Additions)	=		0.	+	[2128]	0.
Subtotal (Subtractions)	=		0.	-	[2129]	0.

** Other adjustments	±	[2130]	0.
----------------------	---	--------	----

Subtotal	±	[2100]	-	[2109]	+	[2115]	+	[2128]	-	[2129]	±	[2130]	=	[2131]	-533,432.
-----------------	---	--------	---	--------	---	--------	---	--------	---	--------	---	--------	---	--------	-----------

** Share of partnership(s)/joint venture(s) adjusted net income/loss	±	[2132]	0.
---	---	--------	----

Adjusted net income (loss) (if loss, transfer to [2202] in Schedule B: Continuity of CMT Losses Carried Forward, Page 20.)	=	[2133]	-533,432.
---	---	--------	-----------

Deduct: * CMT losses: pre-1994 Loss	+	From [2210]	0.
* CMT losses: other eligible losses	+	From [2211]	0.
	=		[2134] 0.

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

** Retain calculations. Do not submit with this tax return.

CMT Base	=	[2135]	0.
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Transfer to CMT Base on Page 8

Ontario Power Inc.

1800339

2002-05-06

DOLLARS ONLY

Corporate Minimum Tax (CMT)



Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2)	.....	+	2201	654,514.	
Add:						
Current year's losses	.....	+	2202	533,432.	
Losses from predecessor corporations on amalgamation (3)	.....	+	2203	0.	
Losses from predecessor corporations on wind-up (3)	.....	+	2204	0.	
Amalgamation (x) 2205 <input type="checkbox"/> Yes						
Wind-up (x) 2206 <input type="checkbox"/> Yes						
Subtotal	=	533,432.	+	2207	533,432.
Adjustments (attach schedule)	.....	±	2208	0.	
CMT losses available	2201 + 2207 ± 2208	=	2209	1,187,946.	
Subtract:						
Pre-1994 loss utilized during the year to reduce adjusted net income	.....	+	2210	0.	
Other eligible losses utilized during the year to reduce adjusted net income (4)	.....	+	2211	0.	
Losses expired during the year	.....	+	2212	0.	
Subtotal	=	0.	-	2213	0.
Balances at End of Year (5)	2209 - 2213	=	2214	1,187,946.	

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 s.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 2213 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

Schedule C: 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	2001-12-31	0	0
2241	2001-12-31	654,514	0
2242	2002-05-06	533,432	0
2243		0	0
2244		0	0
2245		0	0
2246		0	0
2247		0	0
2248		0	0
2249		0	0
Totals		1,187,946	0

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

Corporate Minimum Tax (CMT)

Schedule D: Continuity of CMT Credit Carryovers



Balance at Beginning of year (1)	.....	+	2301	.....	0.
Add:	Current year's CMT Credit (280 on page 8. If negative, enter NIL)	+	From 280	.....	0.
	CMT Credit Carryovers from predecessor corporations (2)	+	2302	.....	0.
	Amalgamation (x) 2303 <input type="checkbox"/> Yes Wind-up (x) 2304 <input type="checkbox"/> Yes				
Subtotal	.....	=		.....	0.
Adjustments (Attach schedule)	.....	±	2306	.....	0.
CMT credit carryover available	2301 + 2305 ± 2306	=	2307	.....	0.
					Transfer to Page 8
Subtract:	CMT Credit utilized during the year to reduce income tax (Page 8)	+	From 310	.....	0.
	CMT Credit expired during the year	+	2308	.....	0.
Subtotal	.....	=		.....	0.
Balance at End of Year (3)	2307 - 2309	=	2310	.....	0.

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) 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))
- (amount in 2310 must equal sum of 2370 + 2390 .

Schedule E: 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	2000-12-31	2360 0	2380 0
2341	2001-12-31	2361 0	2381 0
2342	2001-12-31	2362 0	2382 0
2343	2002-05-06	2363 0	2383 0
2344		2364 0	2384 0
2345		2365 0	2385 0
2346		2366 0	2386 0
2347		2367 0	2387 0
2348		2368 0	2388 0
2349		2369 0	2389 0
Totals		2370 0	2390 0

The sum of amounts 2370 + 2390
must equal amount in 2310.

Westario Power Inc.

CT23-Supp.

Corp. Tax Acct. No. : 1800339

Year Ended:

2002-05-06

Ontario CT23 SUPPLEMENTARY - LIST OF ASSOCIATED CORPORATIONS

Name of Associated Corporation	Ontario Corp.	Tax Number	Taxation Year end	Taxable Capital	Total Assets (Note 1)	Total Revenue (Note 1)	Taxable Income (Note 2)	No Perm Estab in Canada
	Westario Power Services Inc	1800224	2001-12-31	✓	2,635,033	✓ 5,636,891	✓ 731,519	95,095
Westario Power Holdings Inc	1800222	2001-12-31	✓	100,312	✓ 18,269,471	✓ 136,481	1,044	
Hanover Electric Services Inc.	1800340	2002-05-06	✓	4,027,234	✓ 4,256,215	✓ 2,011,928	0	
Minto Hydro Inc.	1800341	2002-05-06	✓	2,657,975	✓ 2,809,102	✓ 1,327,873	0	
TOTALS				9,420,554	30,971,679	4,207,801	96,139	

Note 1: Enter total assets and total revenues only if "Corporate Minimum Tax (CMT)" is applicable.

Note 2: Enter Taxable Income amounts only if "Surtax on a CCPC" is applicable
(i.e. IDSBC is applicable).

Ontario CT23 Supplementary

CCH Canadian Ltd. - Corporate Taxprep ver. 2-2002, 2001/2002 Update

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101.5(g)? [Y/N] N

1	2	3	4	5	6	7	8	9	10	11	12	13
Class number	Ontario un-depreciated capital cost at the beginning of the year (un-depreciated capital cost at the end of the prior year's CCA schedule)	Cost of acquisitions during the year (new property must be available for use)	Net (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Ontario un-depreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions column 7 exceeds column 5)	Reduced un-depreciated capital cost (column 6 minus column 7)	CCA rate %	Recapture of capital cost allowance	Terminal loss	Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	Ontario un-depreciated capital cost at the end of the year (column 6 minus column 12)
		See note 1 below				See note 2 below						
1	7,273,987	0	0	1,088	7,272,899	0	7,272,899	4	0	0	100,426	7,172,473
2	6,428,023	0	0	0	6,428,023	0	6,428,023	6	0	0	133,139	6,294,884
8	955,954	1,471	0	0	957,425	735	956,690	20	0	0	66,051	891,374
12	0	522,337	0	0	522,337	261,168	261,169	100	0	0	90,157	432,180
Total	14,657,964	523,808	0	1,088	15,180,684	261,903	14,918,781		0	0	389,773	14,790,911
								Enter in boxes	[650]		[650] on the C723	

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.



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

Ontario Cumulative Eligible Capital Deduction Schedule 10

(For taxation years 2000 and later)

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Westario Power Inc.	1800339	2002-05-06

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital – balance at end of preceding taxation year (if negative, enter zero) 1,305,181^A

Add:

Cost of eligible capital property acquired during the taxation year	.....	+	0 ^B	
Amount transferred on amalgamation or wind-up of subsidiary	.....	+	0 ^C	
Other adjustments	.....	+	0 ^D	
Total of B + C + D	.....	=	0	X 0.75 = 0 ^E
Subtotal A + E	.....	=		1,305,181 ^F

Deduct:

Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	.....	+	0 ^G	
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the <i>Income Tax Act</i> (Canada)	.....	+	0 ^H	
Other adjustments	.....	+	0 ^I	
Total of G + H + I	.....	=	0	X 0.75 = 0 ^J
Ontario cumulative eligible capital balance F – J	.....	=		1,305,181 ^K

If K is negative, enter zero at line M and proceed to Part 2

Current year deduction 1,305,181^K X 7.00%* = 31,539^L

* The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.

Ontario cumulative eligible capital - closing balance K – L (if negative, enter zero) = 1,273,642^M

Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Part 2 - Amount to be included in income arising from disposition

Only complete this part if the amount at line K is negative

Amount from line K above (show as a positive amount) 0^N

Total cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 0¹

Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA 0²

Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988 0³

Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 0⁴

Line 3 deduct line 4 0

Total lines 1 + 2 + 5 0⁵

Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000 0⁶

Deduct line 7 from line 6 0⁷

N - O (cannot be negative) 0⁸

Amount on line 5 0 X 1/2 0⁹

P - Q 0¹⁰

Amount on line R 0 X 2/3* 0¹¹

Lesser of line N or line O 0¹²

Amount to be included in income S + T 0¹³

* Note: For taxation years ending after February 27, 2000 and before October 18, 2000 use 8/9 to calculate S



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

2003

CT23 Corporations Tax and Annual Return

For taxation years
commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)
The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) 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.

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) 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, together with the applicable schedules on pages 18-21. **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).

MCBS Annual Return Required? ☐ (Not required if already filed or Annual Return exempt. Refer to Guide)

☒ Yes ☐ No

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Ministry Use

Corporation's Legal Name (including punctuation) Westario Power Inc.		Ontario Corporations Tax Account No. (MOF) 1800342	
Mailing Address 385 Queen Street Kincardine ON CA N2Z-2R4		This CT23 Return covers the Taxation Year Start <input type="text" value="year month day"/> 2002-05-07 End <input type="text" value="year month day"/> 2002-12-31	
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes <input type="checkbox"/> No Date of Change <input type="text" value="year month day"/>		Date of Incorporation or Amalgamation <input type="text" value="year month day"/> 2002-05-06	
Registered/Head Office Address 385 Queen Street Kincardine ON CA N2Z-2R4		Ontario Corporation No. (MCBS) 1447793	
Location of Books and Records 385 Queen Street Kincardine ON CA N2Z-2R4		Canada Customs and Revenue Agency (formerly Revenue Canada) Business No. If applicable, enter 865909790RC0001	
Name of person to contact regarding this CT23 Return Pat Bell		Telephone No. 519-396-3485	Fax No.
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS) ON CA -		Jurisdiction Incorporated Ontario	
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MCBS)		If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced <input type="text" value="year month day"/> Ceased <input type="text" value="year month day"/> <input checked="" type="checkbox"/> Not Applicable	
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS).		No. of Schedule(s) 0	Preferred Language/Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français
		Ministry use 	

Certification (MCBS)

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)

Pat Bell

Title: ☐ Director ☐ Officer ☒ Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.

Westario Power Inc.

1800342

2002-12-31

CT23 Corporations Tax Return*Identification continued (for CT23 filers only)***Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2**

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)

Ontario Retail Sales Tax Vendor Permit No.
(Use Head Office no.)

if applicable, enter

Ontario Employer Health Tax Account No.
(Use Head Office no.)

if applicable, enter

Specify major business activity

Hydro Services

Please "X" box(es) if applicable:

☐ First Year of Filing

☐ Amended Return

☒ Taxation Year End has changed - Canada Customs
and Revenue Agency (formerly Revenue Canada)
approval required

☐ Final Taxation Year up to Dissolution (wind-up)
(Note: For discontinued businesses, see Guide.)

☐ Final Taxation Year before Amalgamation

☐ Floating Fiscal Year End

☐ Transfer or Receipt of Asset(s) involving a
corporation having a Canadian permanent
establishment outside Ontario

☒ Acquisition of Control fed s.249(4)

Date Control was acquired

year month day

2002-05-06

Was the corporation inactive throughout the taxation year?

Yes No
☐ ☒

Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?

☒ ☐

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?

☐ ☒

Income Tax

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	960,016.
Subtract: Charitable donations	—	1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	—	2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3	—	3	0.
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002)	—	4	0.
Subtract: Federal Part VI.1 tax 0. X 9/3	—	5	0.
Subtract: Prior years' losses applied — Non-capital losses	—	From 704	960,016.
Net capital losses From 715 (page 16) 0. X inclusion rate 50.000000% =	—	714	0.
Farm losses	—	From 724	0.
Restricted farm losses	—	From 734	0.
Limited partnership losses	—	From 754	0.
		10	0.
Taxable Income (Non-capital loss)			
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	0.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=	20	0.

Taxable Income		Number of Days in Taxation Year	
From 10 (or 20 if applicable)	0. X 30 100.0000% X 12.5000% X	Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days
	Ontario Allocation	33 239 ÷ 73	239
			= + 29 0.
From 10 (or 20 if applicable)	0. X 30 100.0000% X 14.0000% X	Days after Dec. 31, 2003	Total Days
	Ontario Allocation	34 0 ÷ 73	239
			= + 32 0.
Income Tax Payable (before deduction of tax credits)	29 + 32		= 40 0.

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	0.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	0.
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52	0.
Subtract: Losses of other years deducted for Ontario purposes (s.34)	— 53	0.
	= 54	0.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	55	0.

Ontario Business Limit Calculation

280,000 X	Days after Sept. 30, 2001 and before Jan. 1, 2003	** 365	= + 43	183,342.		
320,000 X	Days after Dec. 31, 2002 and before Jan. 1, 2004	** 365	= + 46	0.		
400,000 X	Days after Dec. 31, 2003	** 365	= + 47	0.		
Business Limit for Ontario purposes	43 + 46 + 47	= 44	183,342 X	48	% = 45	0.
Income eligible for the IDSBC	From 30	100.0000% X	56	0.	60	0.
	**** 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: For a taxation year ending before Jan. 1, 2003, use your proportion of the associated group business limit.

**** 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

Westario Power Inc.

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DOLLARS ONLY

Income Tax *continued from Page 4***Calculation of IDSBC Rate**

Number of Days in Taxation Year									
		Days after Sept. 30, 2001 and before Jan. 1, 2003			Total Days				
.....	<u>6.50%</u>	X	<u>28</u>	<u>239</u>	÷	<u>73</u>	<u>239</u>	= +	<u>79</u> <u>6.5000</u>
		Days after Dec. 31, 2002 and before Jan. 1, 2004			Total Days				
.....	<u>7.00%</u>	X	<u>31</u>	<u>0</u>	÷	<u>73</u>	<u>239</u>	= +	<u>89</u> <u>.0000</u>
		Days after Dec. 31, 2003			Total Days				
.....	<u>8.50%</u>	X	<u>34</u>	<u>0</u>	÷	<u>73</u>	<u>239</u>	= +	<u>90</u> <u>.0000</u>

IDSBC Rate for Taxation Year $79 + 89 + 90 = 78$ 6.5000Claim From 60 0. x From 78 6.5000% = 70 0.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 in 114 below.**Surtax on Canadian-controlled private corporations (s.41.1)****Applies** if you have claimed the Incentive Deduction for Small Business Corporations.**** 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.**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 0.**If you are a member of an associated group** (X) 81 ☒ (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)

See attached 82 1.100.

83 .

84 .

Rate Taxable Income $80 + 82 + 83 + 84$, etc. = 85 1.100.

Number of Days in Taxation Year

		Days after Sept. 30, 2001 and before Jan. 1, 2003		Total Days		
Subtract: 280,000	x	28	239	÷	73	239
						= + 113 280,000.
		Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days		
320,000	x	31	0	÷	73	239
						= + 115 0.
		Days after Dec. 31, 2003		Total Days		
400,000	x	34	0	÷	73	239
						= + 116 0.

 $113 + 115 + 116 = 280,000.$ (If negative, enter nil) 86 0.**Number of Days in Taxation Year**

				Number of Days in Vacation Year					
Calculation of Specified Rate for Surtax	.....	4.3330%	x	28	239	÷	73	239	= + 95 4.3330
	.....	4.6670%	x	31	0	÷	73	239	= + 96 .0000
	.....	4.6670%	x	34	0	÷	73	239	= + 97 .0000

Specified rate of surtax for Taxation Year $95 + 96 + 97 = 94$ 4.3330

From 86 0. x From 94 4.3330% = 87 0.

From 87 0. x From 60 0. ÷ From 114 280,000. = 88 0.

Surtax Lesser of 70 or 88 = 100 0*continued on Page 6*

Westario Power Inc.

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DOLLARS ONLY

Income Tax *continued from Page 5***Additional Deduction for Credit Unions (s.51(4))** (Attach schedule 17)

110 0.

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 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - From 56 0.

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 0. ÷ From 30 100.0000% ÷ From 78 6.5000% = 121 0.

Lesser of 56 or 121 + 122 0.

120 - 56 + 122 = 130 0.

Taxable Income + From 10 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - From 56 0.

Add: Adjustments for Surtax on Canadian-controlled private corporations + From 122 0.

Subtract: Taxable Income 10 0. X Allocation % to jurisdictions outside Canada .0000% - 140 0.

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses - 141 0.

10 - 56 + 122 - 140 - 141 = 142 0.

Claim**Number of Days in Taxation Year**

143 0. X From 30 100.0000% X 1.5000% X

Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days
33 0 ÷ 73	239

 = + 154 0.

143 0. X From 30 100.0000% X 2.0000% X

Days after Dec. 31, 2003	Total Days
34 0 ÷ 73	239

 = + 156 0.

M&P claim for taxation year 154 + 156 = 160 0.

*** 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 0.

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

= 162 0.

Credit for Foreign Taxes Paid (s.40)

ies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) (Attach schedule). 170 0.

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 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 = 190 0.*continued on Page 7*