

**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 30,390,521 30,390,521 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 30,390,521

**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 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) .....	30,390,521	C
<b>Deduct:</b> Investment allowance for the year (line 490) .....	0	D
<b>Taxable capital for the year</b>		
(amount C minus amount D) (if negative, enter "0") .....	500	30,390,521
		=====

**Part 4 - Taxable capital employed in Canada**

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

Taxable capital for the year (line 500)		Taxable income earned in Canada		Taxable capital employed in Canada	
30,390,521	X	610	1,000	690	30,390,521
		-----	----- =		=====
		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) . . . . . 30,390,521

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

801

8,056,414

Excess of taxable capital employed in Canada over capital deduction . . . . .

811

22,334,107

Year	Line 811		Number of days	Number of days in the taxation year					
Before 2004	22,334,107	x	( 365 /	365)	x	.2250%	=	50,252	F
2004	22,334,107	x	( 0 /	365)	x	.2000%	=	0	G
2005	22,334,107	x	( 0 /	365)	x	.1750%	=	0	H
2006	22,334,107	x	( 0 /	365)	x	.1250%	=	0	I
2007	22,334,107	x	( 0 /	365)	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)

50,252

K

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

Amount K 50,252 x Number of days in the year 365 =

0

L

365

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

820

50,252

**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) . . . . .	30,390,521	M
<b>Deduct:</b> Capital deduction claimed for the year . . . . .		
(1/5 of line 801 if the taxation year end after 2003) . . . . .	8,056,414	N
	-----	
Excess (amount M minus amount N) (if negative, enter "0") . . . . .	22,334,107	O
	=====	
Amount O 22,334,107 x .2250% = . . . . .	50,252	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 50,252 x	Number of days in the year 365	= . . . . .	0	Q
	-----		=====	
	365			

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

(amount P or Q, whichever applies) . . . . .	821	50,252
		=====

**Part 7 - Calculation of current-year surtax credit available**

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

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

a) line 600 from the T2 return . . . . .	0	<b>a</b>	
b) line 700 from the T2 return . . . . .	0	<b>b</b>	0 <b>R</b>

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 30,390,521	=	0 <b>c</b>
		-----		
		30,390,521		
		line 500 of this schedule		
d) line 700 from the T2 return . . . . .	0	<b>d</b>		0 <b>S</b>

<b>Current-year surtax credit available</b> (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
<b>Less:</b> Gross Part I.3 tax for purposes of the unused surtax credit (line 821) . . . . .		50,252
		-----
<b>Current-year unused surtax credit</b> (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) ..... 50,252 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 50,252

Enter this amount at line 704 of the T2 return. ....

Attached Sch.  
2003-12-31

Bank indebtedness	637,674.00
Customer deposits	908,039.00
Demand term loan	2,488,940.00
Current portion of long-term debt	1,261,200.00
Long-term debt	8,627,165.00
	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
Total	----- 13,923,018.00 =====

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)

010

Year Month Day

Is this an amended agreement?

020

[Y/N] [ N ]

Calendar year to which the agreement applies

030

Year  
2003

NR 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)
	200	400	500
Westario Power Inc.	865909790RC0001	8,056,414	
See attached		1,943,586	
		-----	
<b>Total</b> (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	1,459,586	
Westario Power Holdings Inc.	892764416RC0001	484,000	
TOTAL		1,943,586	

**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)		
	200	300	400	500
Westario Power Holdings Inc.	892764416RC0001		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	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
		46,740
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
	Total amount of instalments claimed (A)	46,740
		=====
	Total instalments credited to the taxation year per T9 (B)	46,740
		=====

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

## ONTARIO CONSENT FORM

This form authorizes the Ontario Ministry of Finance to release confidential client information to a designated third-party representative in matters pertaining to applicable legislation.

- Complete Parts 1, 2, and 5 to name a representative
- Complete Parts 3, 4, and 5 to cancel the consent provided for an existing representative
- Complete all the parts if you want to both name a new representative and cancel an existing representative

### Part 1 - Consent for the release of information to a representative

Taxpayer's name:

Westario Power Inc.

Ontario Corporation

Tax Account Number: 1800342

Taxpayer's address 1:..... 385 Queen Street

Taxpayer's address 2:.....

City:..... Kincardine

Province:..... ON

Postal code:..... N2Z-2R4

I consent to the release of confidential information about my Corporation Tax Return by the Ontario Ministry of Finance to the representative named below.

Representative's name:..... KPMG LLP

(If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual)

Address 1:..... 1400 - 140 Fullarton Street

Address 2:..... London, Ontario N6A 5P2

City:.....

Province, territory or state:.....

Country (other than Canada):.....

Postal code:.....

Zip code or foreign postal code:.....

If you named a firm as your representative and want to specify a particular individual of that firm, enter that individual's first and last name.

KPMG LLP

Representative's name

519-672-4880

Representative's telephone number

Extension

519-672-5684

Representative's fax number

### Part 2 - Details of consent

I request that this consent apply to all years. ☒ OR

I request that this consent apply only to the following years:

1. All year-ends up to:

Year Month Day

2. All year-ends beginning in:

and all years after that.

Year Month Day

3. The following year-ends only:

Year Month Day

Year Month Day

Year Month Day

Year Month Day



**Part 3 - Cancellation of the consent for the release of information to a representative**

Taxpayer's name: Ontario Corporation  
Westario Power Inc. Tax Account Number: 1800342  
Taxpayer's address 1:..... 385 Queen Street  
Taxpayer's address 2:.....  
City:..... Kincardine  
Province:..... ON  
Postal code:..... N2Z-2R4

I cancel all previous consents for all representatives. OR

I cancel my consent for the release of confidential information about my Corporation Tax Return by the Ontario Ministry of Finance to the representative named below.

Representative's name:  
(If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)  
Address 1:.....  
Address 2:.....

If you named a firm as your representative and want to cancel the consent with respect to a particular individual of that firm, enter that individual's first and last name.

Representative's name

Representative's telephone number

Representative's fax number

**Part 4 - Details of cancellation of consent**

I request that this cancellation of consent apply to all years. OR

I request that this cancellation of consent apply only to the following years:

1. All year-ends up to: Year Month Day
2. All year-ends beginning in: Year Month Day and all years after that.
3. The following year-ends only:  
Year Month Day Year Month Day  
Year Month Day Year Month Day

**Part 5 - Signature**

Print your name Greg Young Title Finance Manager  
This form must be signed by an owner, partner, director, trustee, or officer.

Sign here \_\_\_\_\_ Date  
Year Month Day

**WE WILL NOT PROCESS THIS FORM IF IT IS NOT SIGNED**

**Indicate Instalment Method Chosen [1-3]: 2**

Combined 1st and 2nd Instalment Base Method

If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.) 5

**1. 1st INSTALMENT BASE METHOD**

1st Instalment Base Amount

(Amount (I) Below) . . . . . 50,252 / 12 = 4,188

Monthly Instalments Required 4,188

**2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD**

2nd Instalment Base Amount:

**Indicate:** Part I Tax . . . . . 0  
 Part I.3, VI & VI.I Tax . . . . . 0  
 Provincial Tax . . . . . 0

---

Total 0 / 12 = (A) 0

**Less:** 1/12 of Estimated Current Yr Credits [(H) below / 12] . . . . . 0

Each of the first 2 Instalment Payments . . . . . = (B) 0

Total tax from (I) below . . . . . 50,252

Less: Amount (B) above x 2 . . . . . 0

50,252 / 10 = 5,026

Each of the remaining 10 Instalment Payments . . . . . 5,026

**3. ESTIMATED TAX METHOD**

Instalment Base Amount

(Amount (I) Below) . . . . . 0 / 12 = 0

Monthly Instalments Required 0

## INSTALMENT BASE CALCULATION

	1st Instalment Base Method	Estimated Tax Method
Taxable Income . . . . .	0	0
	=====	=====
<b>CALCULATION OF TAX PAYABLE</b>		
Total of:		
Federal Part I Tax . . . . .	0	0
Federal Surtax . . . . .	0	0
Refundable Tax on a CCPC's Investment Income . . . . .	0	0
	-----	-----
Subtotal (A)	0	0
<b>Less</b> Total of:		
Small Business Deduction . . . . .	0	0
Investment Corporation Deduction . . . . .	0	0
Federal Tax Abatement . . . . .	0	0
Manufacturing and Processing Profits Deduction . . . . .	0	0
Non-Business Foreign Tax Credit . . . . .	0	0
Business Foreign Tax Credit . . . . .	0	0
Tax Reduction, General and Accelerated . . . . .	0	0
Logging Tax Credit . . . . .	0	0
Federal Political Contribution Tax Credit . . . . .	0	0
Investment tax credit per Schedule 31 and resource deduction . . . . .	0	0
Qualifying Environmental Trust Tax Credit . . . . .	0	0
	-----	-----
Subtotal (B)	0	0
Total Part I Tax Payable . . . . . (A) - (B) = (C)	0	0
Part I.3 Tax . . . . . (D)	50,252	0
Part VI Tax . . . . . (D.1)	0	0
Part VI.I Tax . . . . . (D.2)	0	0
Provincial/Territorial Tax . . . . . (E)	0	0
<b>Total</b>	-----	-----
Parts I, I.3, VI, VI.I and Provincial/Territorial Tax . . . . . = (F)	50,252	0
Adjustment for Short Taxation Years: x 365/# of days in year if < 365 . . . . . (G)	365 / 365 50,252	365 / 365 0
<b>Less - Estimated Current Year Credits:</b>		
Investment Tax Credit Refund . . . . .	0	0
Dividend Refund . . . . .	0	0
Federal Capital Gains Refund . . . . .	0	0
Provincial and Territorial Capital Gains Refund . . . . .	0	0
Allowable Refund per Sch. 26 . . . . .	0	0
Tax Withheld at Source . . . . .	0	0
Other Estimated Credits . . . . .	0	0
	-----	-----
Total Estimated Current Year Credits . . . . . (H)	0	0
<b>INSTALMENT BASE AMOUNT . . . . . (G) - (H) = (I)</b>	50,252	0
	=====	=====

**Indicate Instalment Method Chosen [1-3]: 2**

1. 1st Instalment Base Method
2. Combined 1st and 2nd Instalment Base Method
3. Estimated Tax Method

Do not used the quarterly payment even if applicable "X" to continue monthly payments . . . . . [     ]

If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.)    5

**1. 1st INSTALMENT BASE METHOD**

1st Instalment Base Amount (Amt (I) Below) . . . . .	126,798 / 12 =	10,567
	Monthly Instalments Required	10,567
	Quarterly Instalments Required	0

**2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD**

2nd Instalment Base Amount:		
<b>Indicate:</b> Income Tax, C.M.T. . . . .	0	
Capital Tax, Prem. Tax . . . . .	0	
	-----	
Total	0 / 12 = (A)	0
Each of the first 2 Instalment Payments . . . . .	= (B)	0
Total tax from (I) below . . . . .	126,798	
<b>Less:</b> Amount (A) above x 2 . . . . .	0	
	-----	
	126,798 / 10 =	12,680
Each of the remaining 10 Instalment Payments . . . . .	=	12,680
	Quarterly Instalments Required	0

**3. ESTIMATED TAX METHOD**

Instalment Base Amount ( (I) Below) . . . . .	0 / 12 =	0
	Monthly Instalments Required	0
	Quarterly Instalments Required	0

INSTALMENT BASE CALCULATION

		1st Instalment Base Method	Estimated Tax Method
Ontario Taxable Income . . . . .		0	0
		=====	=====
<b>CALCULATION OF TAX PAYABLE</b>			
Gross Ontario Tax . . . . . (A)		0	0
<b>Less</b> Total of:			
Incentive Deduction for an S.B.C., net of surtax . . . . .		0	0
Manufacturing and Processing Profits Credit . . . . .		0	0
Additional deduction for credit unions . . . . .		0	0
Credit for foreign taxes paid . . . . .		0	0
Credit for Investment in S.B.D.C. . . . .		0	0
Specified credits applied against income tax . . . . .		0	0
		-----	-----
<b>Total</b> Deduction and Credits . . . . . (B)		0	0
Income Tax . . . . . (A) - (B) = (C)		0	0
<b>Add:</b> Capital Tax . . . . . (D)		68,987	0
Corporate minimum tax paid (credited) . . . . . (E)		57,811	0
Premium Tax . . . . . (F)		0	0
		-----	-----
<b>Total</b> Income Tax and Other Taxes (C+D+E+F) = (G)		126,798	0
Adjustment for Short Taxation Years			
x 365 / number of days in year if < 365 . . . . . (H)	365 / 365	126,798	0
<b>L</b> .: Total estimated current year credits . . . . .		0	0
		-----	-----
	(I)	126,798	0
		=====	=====

## Appendix 24

### 2003 CT23 Provincial Tax Return



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

2004/  
2005

# CT23 Corporations Tax and Annual Return

For taxation years commencing  
after December 31, 2002

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

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

Ministry Use

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

☐ Yes ☒ No

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Corporation's Legal Name (including punctuation) <b>Westario Power Inc.</b>		Ontario Corporations Tax Account No. (MOF) <b>1800342</b>													
Mailing Address <b>385 Queen Street</b> <b>Kincardine</b> <b>ON CA N2Z-2R4</b>		This Return covers the Taxation Year Start <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2003</td><td>01</td><td>01</td></tr></table> End <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2003</td><td>12</td><td>31</td></tr></table>		year	month	day	2003	01	01	year	month	day	2003	12	31
year	month	day													
2003	01	01													
year	month	day													
2003	12	31													
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date of Change <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td></td><td></td><td></td></tr></table>		year	month	day				Date of Incorporation or Amalgamation <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2002</td><td>05</td><td>06</td></tr></table>		year	month	day	2002	05	06
year	month	day													
year	month	day													
2002	05	06													
Registered/Head Office Address <b>385 Queen Street</b> <b>Kincardine</b> <b>ON CA N2Z-2R4</b>		Ontario Corporation No. (MCBS) <b>1447793</b>													
Location of Books and Records <b>385 Queen Street</b> <b>Kincardine</b> <b>ON CA N2Z-2R4</b>		Canada Customs and Revenue Agency Business No. If applicable, enter <b>865909790RC0001</b>													
Name of person to contact regarding this CT23 Return <b>Greg Young</b>		Jurisdiction Incorporated <b>Ontario</b>													
Telephone No. <b>519-396-3485</b>		Fax No.													
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS) <b>ON CA -</b>		If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td></td><td></td><td></td></tr></table> Ceased <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td></td><td></td><td></td></tr></table>		year	month	day				year	month	day			
year	month	day													
year	month	day													
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MCBS)		<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). No. of Schedule(s) <b>0</b>		Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français													
If there is <b>no change</b> 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). <input checked="" type="checkbox"/> No Change		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)

Title ☐ Director ☐ Officer ☒ Other individuals having knowledge of the Corporation's business activities

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



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## CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

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

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-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)

Please "X" box(es) if applicable:

☐ First Year of Filing

☒ Amended Return

☐ Taxation Year End has changed - Canada Customs  
and Revenue Agency 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

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).

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From	690	-128,790.
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 Schedule 3	-		3	0.
Subtract: Ontario political contributions (Attach Schedule 2A) (Int.B. 3002R)	-		4	0.
Subtract: Federal Part VI.1 tax 0. X 3	-		5	0.
Subtract: Prior years' losses applied – Non-capital losses	-	From	704	0.
Net capital losses (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.
<b>Taxable Income (Non-capital loss)</b>	=		10	-128,790.
Addition to taxable income for unused foreign tax deduction for federal purposes	+		11	0.
<b>Adjusted Taxable Income</b> 10 + 11 (if 10 is negative, enter 11)	=		20	0.

		<b>Number of Days in Taxation Year</b>	
<b>Taxable Income</b>		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days
From 10 (or 20 if applicable) 0. X 30 100.0000% X 12.5000% X		33 365 ÷ 73 365	= + 29 0.
Ontario Allocation			
From 10 (or 20 if applicable) 0. X 30 100.0000% X 14.0000% X		34 0 ÷ 73 365	= + 32 0.
Ontario Allocation			
<b>Income Tax Payable</b> (before deduction of tax credits) 29 + 32	=	40	0.

### I. 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

300 X	Days after Dec. 31, 2002 and before Jan. 1, 2004	31 365 ÷ ** 365	= + 46	320,000.
400,000 X	Days after Dec. 31, 2003	34 0 ÷ ** 365	= + 47	0.
Business Limit for Ontario purposes	46 + 47	= 44	320,000 X	48
				Percentage of Federal Business limit (from T2 Schedule 23). Enter 100% if not associated.
				48
				% = 45
<b>Income eligible for the IDSBC</b>	From 30	100.0000% X	56	0. = 60
	*** Ontario Allocation			Least of 50, 54 or 45

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

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

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

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**Income Tax** *continued from Page 4***Number of Days in Taxation Year**

Calculation of IDSBC Rate	7.00%	x	Days after Dec. 31, 2002 and before Jan. 1, 2004		÷	Total Days		=	+	89	7.0000	
			31	365		73	365					
IDSBC Rate for Taxation Year	8.50%	x	Days after Dec. 31, 2003		÷	Total Days		=	+	90	.0000	
			34	0		73	365					
										78	7.0000	
Claim	From 60		0.		x	From 78		7.0000%		=	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.

**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 <input checked="" type="checkbox"/> (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	481,952.
			83	
			84	
Aggregate Taxable Income 80 + 82 + 83 + 84, etc.			85	481,952.

**Number of Days in Taxation Year**

320,000	x	Days after Dec. 31, 2002 and before Jan. 1, 2004		÷	Total Days		=	+	115	320,000.	
		31	365		73	365					
400,000	x	Days after Dec. 31, 2003		÷	Total Days		=	+	116	0.	
		34	0		73	365					
									115 + 116	=	320,000.
									114	=	320,000.
(If negative, enter nil)									86	=	161,952.

**Number of Days in Taxation Year**

Calculation of Specified Rate for Surtax	4.6670%	x	Days after Dec. 31, 2002		÷	Total Days		=	+	97	4.6670									
			38	365		73	365													
										86	161,952.	x	From 97	4.6670%	=	87	7,558.			
										87	7,558.	x	From 60	0.	From 114	320,000.	=	88	0.	
										70	or	88						=	100	0

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

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**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) 56 0.

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 0. ÷ From 30 100.0000% ÷ From 78 7.0000% = 121 0.

Lesser of 56 or 121 122 0.

120 - 56 + 122 130 0.

**Taxable Income** 10 -128,790.

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

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

Subtract: Taxable Income 10 -128,790. 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**Days after Dec. 31, 2002  
and before Jan. 1, 2004 Total Days

33 0 ÷ 73 365

Days after Dec. 31, 2003 Total Days

34 0 ÷ 73 365

143 0. X From 30 100.0000% X 1.5000% X 33 0 ÷ 73 365 = + 154 0.

143 0. X From 30 100.0000% X 2.0000% X 34 0 ÷ 73 365 = + 156 0.

M&amp;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. 3001R) (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 scientific research and experimental 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 5798 CT23 Schedule 113 (Attach Schedule 113) - - - - - + 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. Name of Production 204Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) - - - - - + 193 0.**Graduate Transitions Tax Credit (GTTC) (s.43.6)**

Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005.

No. of Graduates From 6596194 0Eligible Credit From 6598 CT23 Schedule 115 (Attach Schedule 115) - - - - - + 195 0.**Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)**

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

Eligible Credit From 6900 OBPTC Claim Form (Attach both the original Claim Form and the Certificate of Eligibility) - - - - - + 196 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 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) - - - - - + 197 0.**Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)**

Applies to qualifying R&amp;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 productions where the OFTTC has not been claimed.

Eligible Credit From 7300 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) - - - - - + 199 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 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC). (Attach the original Certificate of Eligibility) - - - - - + 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 both the original Claim Form and the Certificate of Eligibility) - - - - - + 201 0.**Apprenticeship Training Tax Credit (ATTC) (s.43.13)**

Applies to employment of eligible apprentices.

No. of Apprentices From 5896202 0Eligible Credit From 5898 CT23 Schedule 114 (Attach Schedule 114) - - - - - + 203 0.or (specify) - - - - - + 203.1 0.**Total Specified Tax Credits** 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1 = 220 0.**Specified Tax Credits Applied to reduce Income Tax** - - - - - = 225 0.**Income Tax** 190 - 225 OR Enter NIL if reporting Non-Capital Loss (amount cannot be negative) - - - - - = 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 17.

OR

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



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## Corporate Minimum Tax (CMT)

Total Assets of the corporation ..... + [240] 33,271,939.

Total Revenue of the corporation ..... + [241] 36,347,498.

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

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

Name of associated corporation (Canadian & foreign) (if insufficient space attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets	Total Revenue
See attached			+ [243] 22,798,850.	+ [244] 4,648,665.
			+ [245]	+ [246]
			+ [247]	+ [248]
Aggregate Total Assets	[240] + [243] + [245] + [247], etc.		= [249] 56,070,789.	
Aggregate Total Revenue	[241] + [244] + [246] + [248], etc.			= [250] 40,996,163.

## Determination of Applicability

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

**Short Taxation Years** - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.**Associated Corporation** - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101**.

## Calculation: CMT (Attach Schedule 101.)

CMT Payable	CMT Base From Schedule 101 [2136] 1,445,272.	X From [30] 100.0000%	X 4.0000% = [276] 57,811.
	If negative, enter zero		Ontario Allocation
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)			[277] 0.
Subtract: Income Tax			From [190] 0.
<b>Net CMT Payable</b> (If negative, enter Nil on Page 17.)			= [280] 57,811.

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

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

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

CMT Credit Carryover available From Schedule 101 ..... From [2333] 124,710.

## Application of CMT Credit Carryovers

<b>A. Income Tax (before deduction of specified credits)</b>			+ From [190] 0.
Gross CMT Payable		+ From [276] 57,811.	
Subtract: Foreign Tax Credit for CMT purposes		- From [277] 0.	
If [276] - [277] is negative, enter NIL in [290]		= 57,811.	[290] 57,811.
<b>Income Tax eligible for CMT Credit</b>			[300] 0.
<b>B. Income Tax (after deduction of specified credits)</b>			+ From [230] 0.
Subtract: CMT credit used to reduce income taxes			[310] 0.
<b>Income Tax</b>			[320] 0.

Transfer to page 17

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

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

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

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

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

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

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

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

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

**Paid-up Capital of Non-resident:** Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(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) (Int.B. 3010).

**Paid-up Capital**

Paid-up capital stock (Int.B. 3012R and 3015R)	+	350	14,064,719.
Retained earnings (if deficit, deduct) (Int.B. 3012R)	±	351	1,673,784.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012R)	+	352	0.
Loans and advances (Attach schedule) (Int.B. 3013R)	+	353	12,865,007.
Bank loans (Int.B. 3013R)	+	354	0.
Bankers acceptances (Int.B. 3013R)	+	355	0.
Bonds and debentures payable (Int.B. 3013R)	+	356	0.
Mortgages payable (Int.B. 3013R)	+	357	0.
Lien notes payable (Int.B. 3013R)	+	358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be deducted in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	+	359	729,000.
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	+	360	0.
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)	+	361	0.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)	+	362	0.
<b>Subtotal</b>	=	370	29,332,510.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)	-	371	2,039,420.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	-	372	0.
<b>Total Paid-up Capital</b>	=	380	27,293,090.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	-	381	0.
<b>Electrical Generating Corporations Only</b> - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	-	382	0.
<b>Net Paid-up Capital</b>	=	390	27,293,090.

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

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

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	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.
<b>Total Eligible Investments</b>	=	410	0.

continued on Page 10



## NBV/UCC difference

NBV of capital assets	18,884,988.00
Less: Land	-107,769.00
UCC per SCH 008	-19,868,928.00 0.00
NBV of Goodwill	1,660,742.00
NBV of Organizational costs	47,588.00
CEC per SCH 010 x 4/3	-1,504,921.00 0.00
NBV of regulatory assets	4,811,663.00
Regulatory Expenses deducted per Sch 001 - 2002	-1,470,396.00
Regulatory Expenses deducted per Sch 001 - 2003	-413,547.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00
Total	<hr/> <u>2,039,420.00</u>

**Capital Tax** *continued from Page 9***Total Assets** (Int.B. 3015R)

Total Assets per balance sheet	+	420	33,271,939.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets (Attach schedule)	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	-	423	0.
<b>Total Assets as adjusted</b>	=	430	33,271,939.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	2,039,420.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
<b>Total Assets</b>	=	450	31,232,519.

**Investment Allowance**  $(\boxed{410} \div \boxed{450}) \times \boxed{390}$  \_\_\_\_\_ **Not to exceed**  $\boxed{410}$   $= \boxed{460}$  0.

<b>Taxable Capital</b>	<u>390</u>	-	<u>460</u>	=	<u>470</u>	27,293,090.
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<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) . . .	480	36,347,498.
--	-----	-------------

<b>Total Assets</b> (as adjusted)	From 430	33,271,939.
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### Calculation of Capital Tax for all Corporations except Financial Institutions

**Note:** This version (2004/2005) of the Ct23 may only be used for a taxation year that commenced after December 31, 2002.

*Financial Institutions use calculations on page 13.*

**Important:**

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

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

**OR** If the corporation is a member of an associated group and/or partnership, complete **Section B below** and **Section D on page 11**, and if applicable, complete **Section E or Section F on page 12**. Note: if the corporation is a member of a connected partnership, please refer to the 2004/2005 CT23 Guide for additional instructions before completing the Capital Tax section.

## SECTION A

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

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

## SECTION B

### Calculation of Taxable Capital Deduction (TCD)

Number of Days in Taxation Year

			Days before Jan. 1, 2005	Total Days		
5,000,000	X	<u>35</u>	<u>365</u>	÷	<u>73</u>	<u>365</u>
					= +	<u>500</u> 5,000,000.
			Days after Dec. 31, 2004 and before Jan. 1, 2006	Total Days		
7,500,000	X	<u>36</u>	<u>0</u>	÷	<u>73</u>	<u>365</u>
					= +	<u>501</u> 0.
			Days after Dec. 31, 2005 and before Jan. 1, 2007	Total Days		
10,000,000	X	<u>37</u>	<u>0</u>	÷	<u>73</u>	<u>365</u>
					= +	<u>502</u> 0.
<b>Taxable Capital Deduction (TCD)</b>		<b>500</b>	<b>+</b>	<b>501</b>	<b>+</b>	<b>502</b>
					=	<b>503</b> 5,000,000.

### SECTION C

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

**C1.** If **430** and **480** on page 10 are both \$3,000,000 or less, enter NIL in **550** on page 12 and complete the return from that point.

**C2.** If Taxable Capital in **470** is equal to or less than the TCD in **503**, enter NIL in **550** on page 12 and complete the return from that point.

**C3.** If Taxable Capital in **470** exceeds the TCD in **503**, complete the following calculation and transfer the amount from **523** to **543** on page 12, and complete the return from that point.

$$\begin{array}{rcl}
 + \text{ From } 470 & & 0. \\
 - \text{ From } 503 & & 0. \\
 = & 471 & 0. \times \text{ From } 30 \text{ } 100.0000\% \times .3000\% \times 555 \text{ } 365 \text{ Days in taxation year} \text{ } = + 523 \text{ } 0.
 \end{array}$$

365  
365 (366 if leap year)

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

*continued on Page 11*

*If floating taxation year, refer to Guide.*

**Capital Tax Calculation** *continued from Page 10***SECTION D**

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

**D1.** ☐ **509** (X if applicable) All corporations that you are associated with do **not** have a permanent establishment in Canada.

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

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

**D2.** ☒ **524** (X if applicable) One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

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

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

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

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

Taxable Capital From **470** on page 10 ..... + From **470** 27,293,090.

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

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada (if insufficient space, attach schedule)

Ontario Corporations Tax Account No. (MOF) (If applicable)

Taxation Year End

Taxable Capital

See attached

+ **531** 4,462,075.  
+ **532** .....  
+ **533** .....  
= **540** 31,755,165.

Aggregate Taxable Capital **470** + **531** + **532** + **533**, etc. ....

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

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

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

From **470** 27,293,090. ÷ From **540** 31,755,165. x From **503** 5,000,000. = **541** 4,297,425.

Transfer to **542** in Section E on page 12

**S.s.69(2.1) Election Filed**

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

*continued on Page 12*

**Capital Tax Calculation** *continued from Page 11*

## SECTION E

This section applies if the corporation is a member of an associated group and/or partnership whose total aggregate

Taxable Capital **540** on page 11, exceeds the TCD **503** on page 10.

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

[illegible]

## SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

$$+ \text{ From } 470 \text{ } 0. \times \text{ From } 30 \text{ } 100.0000\% \times .3000\% - - - - - = + 561 \text{ } 0.$$

Ontario Allocation

- Capital tax deduction From **995** relating to **your corporation's** Capital Tax deduction, on Schedule 591 - - - - - From **995** 0.  
= **562** 0.

Capital Tax - - - - - 562 - - - - - 0. x Days in taxation year 555 365 = Total Capital Tax for the taxation year 563 0.

\* 365  
(366 if leap year)

*Transfer to 543 and complete the return from that point*

\* If floating taxation year, refer to Guide.

<b>Capital Tax</b> before application of specified credits	-----	=	<div style="border: 1px solid black; padding: 2px;">543</div>	68,987.
Subtract: Specified Tax Credits applied to reduce capital tax payable ( <i>Refer to Guide</i> )	-----	-	<div style="border: 1px solid black; padding: 2px;">546</div>	0.
<b>Capital Tax</b> <div style="border: 1px solid black; padding: 2px;">543</div> - <div style="border: 1px solid black; padding: 2px;">546</div> ( <i>amount cannot be negative</i> )	-----	=	<div style="border: 1px solid black; padding: 2px;">550</div>	68,987.

*Transfer to Page 17*

*Transfer to Page 17*

*continued on Page 13*

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

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

**1.2. Other than Credit Unions**

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

$$\begin{array}{l} \text{565 } \underline{\hspace{1cm}} 0. \times 0.6\% \times \text{From } \text{30 } \underline{\hspace{1cm}} \% \times \frac{\text{Days in taxation year}}{\text{555 } \underline{\hspace{1cm}} 0 \div \text{366 if leap year}} = + \text{569 } \underline{\hspace{1cm}} 0. \\ \text{Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1} \end{array}$$

$$\begin{array}{l} \text{570 } \underline{\hspace{1cm}} 0. \times \text{571 } \underline{\hspace{1cm}} 0.00\% \times \text{From } \text{30 } \underline{\hspace{1cm}} \% \times \frac{\text{Days in taxation year}}{\text{555 } \underline{\hspace{1cm}} 0 \div \text{366 if leap year}} = + \text{574 } \underline{\hspace{1cm}} 0. \\ \text{Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount} \end{array}$$

$$\text{Capital Tax for Financial Institutions – other than Credit Unions (before Section 2)} \quad \text{569} + \text{574} = \text{575 } \underline{\hspace{1cm}} 0.$$

\* If floating taxation year, refer to Guide.

**2. Small Business Investment Tax Credit**

(Provide 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.)

$$\text{Allowable Credit for Eligible Investments} \quad \text{585 } \underline{\hspace{1cm}} 0.$$

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

$$\text{Capital Tax – Financial Institutions} \quad \text{575} - \text{585} = \text{586 } \underline{\hspace{1cm}} 0.$$

Transfer to **543** on Page 12

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

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

(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 licensed insurers.

$$\text{Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)} \quad \text{589 } \underline{\hspace{1cm}} 0.$$

$$\text{Premium Tax} \quad \text{588} - \text{589} = \text{590 } \underline{\hspace{1cm}} 0.$$

Transfer to page 17

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

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

$$\pm \boxed{600} \quad -128,790.$$

Transfer to Page 15

## Add:

Federal capital cost allowance	- - - - -	+	601	2,216,601
Federal cumulative eligible capital deduction	- - - - -	+	602	113,274
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 (Refer to Guide)	- - - - -	+	609	0
Federal depletion allowance	- - - - -	+	610	0
Federal foreign exploration and development expenses	- - - - -	+	611	0
Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide)	- - - - -	+	617	0

Management fees, rents, royalties and similar payments to non-arms' length non-residents

## Number of Days in Taxation Year

$$\boxed{612} \times 0.05 + 12.5000 \times \boxed{33} \div 365 = + \boxed{633} \times 0.05$$

		Days after Dec. 31, 2003	Total Days		
612	$0 \times 5 \div 14,0000 \times$	34	$0 \div 73$	$365$	$= + 634$
					$0.$

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

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661  
excluding any negative amount in 473 from Ont. CT23 Schedule 161- - - - - + 615 0.

Add any negative amount in **473** from Ont. CT23 Schedule 161 - - - - - + **616** 0.

Federal allowable business investment loss ..... + 620 0.

Total of other items not allowed by Ontario but allowed federally ( <i>Attach schedule</i> )	- - - - -	+ 614	0.
--	-----------	-------	----

**Total of Additions** 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 = 2,329,875. 640 2,329,875.

Transfer to Page 15

## Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675 )	650	2,216,601.
Ontario cumulative eligible capital deduction	651	113,274.
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 (Refer to Guide)	659	0.
Ontario current cost adjustment (Attach schedule)	661	0.
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	675	0.

Subtotal of deductions for this page 650 to 659 + 661 + 675 - - - - - 681 2,329,875.

Transfer to Page 15

*continued on Page 15*



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

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal Schedule 1	From	±	600	-128,790.
Total of Additions on page 14	From	=	640	2,329,875.
Sub Total of deductions on page 14	From	=	681	2,329,875.

## Deduct:

### Ontario New Technology Tax Incentive (ONTTI) Gross-up

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

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

From 662 0.

### ONTTI Gross-up deduction calculation:

From 662	0.	X	100	From 662	0.	=	663	0.
			From 30	100.0000				
			Ontario Allocation					

### Workplace Child Care Tax Incentive (WCCT)

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

Qualifying expenditures:	From 665	0.	X	30.00%	X	100	=	666	0.
				From 30		100.0000			
				Ontario Allocation					

### Workplace Accessibility Tax Incentive (WATI)

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

Qualifying expenditures:	From 667	0.	X	100.00%	X	100	=	668	0.
				From 30		100.0000			
				Ontario Allocation					

Number of Employees accommodated 669 0

### Ontario School Bus Safety Tax Incentive (OSBSTI)

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

Qualifying expenditures:	From 670	0.	X	30.00%	X	100	=	671	0.
				From 30		100.0000			
				Ontario Allocation					

### Educational Technology Tax Incentive (ETTI)

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

Qualifying expenditures:	From 672	0.	X	15.00%	X	100	=	673	0.
				From 30		100.0000			
				Ontario Allocation					

Ontario allowable business investment loss + 678 0.

Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161 + 679 0.

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) + 677 0.

Total of other deductions allowed by Ontario (Attach schedule) + 664 0.

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 2,329,875. 680 2,329,875.

Net income (loss) for Ontario Purposes 600 + 640 - 680 = 690 -128,790.

Transfer to Page 4



## Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
<b>Balance at Beginning of Year</b>	700 (2) 671,395	710 (2) 0	720 (2) 0	730 0	740 0	750 0
<b>Add:</b>						
Current year's losses (7)	701 128,790	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0	 0	752 0
<b>Subtotal</b>	703 128,790	713 0	723 0	733 0	743 0	753 0
<b>Subtract:</b>						
Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0	 0	725 0	735 0	745 0	 0
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	 0
<b>Subtotal</b>	707 0	717 0	727 0	737 0	747 0	757 0
<b>Balance at End of Year</b>	709 (8) 800,185	719 0	729 0	739 0	749 0	759 0

## Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1995-12-31	817 (9) 0	860 (9) 0	 0	850 0	870 0
8th preceding taxation year 1996-12-31	818 (9) 0	861 (9) 0	 0	851 0	871 0
802 7th preceding taxation year 1997-12-31	819 (9) 0	862 (9) 0	 0	852 0	872 0
803 6th preceding taxation year 1998-12-31	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1999-12-31	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 2000-12-31	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 2001-12-31	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2002-05-06	824 0	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2002-12-31	825 671,395	835 0	845 0	858 0	878 0
Current taxation year 2003-12-31	826 128,790	836 0	846 0	859 0	879 0
<b>Total</b>	829 800,185	839 0	849 0	869 0	889 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 111 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

**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:
  - the first day of the taxation year after the loss year,
  - the day on which the corporation's return for the loss year is delivered to the Minister, or
  - 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
<b>Total amount of loss</b>	910 128,790	920 0	930 0	940 0
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income				
<b>Predecessor Ontario Corporation's Tax Account No. (MOF)</b>				
<b>Taxation Year Ending year month day</b>				
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
<b>Total loss to be carried back</b>	From 706 0	From 716 0	From 726 0	From 736 0
<b>Balance of loss available for carry-forward</b>	919 128,790	929 0	939 0	949 0

**Summary**

Income tax	+ From 230 or 320	0.
Corporate Minimum Tax	+ From 280	57,811.
Capital Tax	+ From 550	68,987.
Premium Tax	+ From 590	0.
<b>Total Tax Payable</b>	= 950	126,798.
Subtract: Payments	- 960	76,664.
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.
<b>Balance</b>	= 970	50,134.
<b>If payment due</b>	Enclosed * 990	50,134.
<b>If overpayment: Refund (Refer to Guide)</b>	- = 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. (Refer to Guide for other payment methods.)

**Certification**

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

Name (please print)

Greg Young  
Title

Finance Manager

Full Residence Address

Signature

Date

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

Attached Sch.  
2003-12-31

## NBV/UCC difference

NBV of capital assets	18,884,988.00
Less: Land	-107,769.00
UCC per SCH 008	-19,868,928.00
	0.00
NBV of Goodwill	1,660,742.00
NBV of Organizational costs	47,588.00
CEC per SCH 010 x 4/3	-1,504,921.00
	0.00
NBV of regulatory assets	4,811,663.00
Regulatory Expenses deducted per Sch 001 - 2002	-1,470,396.00
Regulatory Expenses deducted per Sch 001 - 2003	-413,547.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	----- 2,039,420.00 -----

## Surtax on Canadian-Controlled Private Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Westario Power Inc.	1800342	2003-12-31

[illegible]

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Westario Power Inc.	1800342	2003-12-31

**Loans or Advances Credited or Advanced to Corporation**

(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more,  
and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

Customer deposits	+	487,702
Term demand loan	+	2,520,540
Current portion of long-term debt	+	1,240,000
Long-term debt	+	8,616,765
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
<b>Total</b>	=	12,865,007
Transfer to 353 of the CT23		

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1	2	3	4	5	6	7	8	9	10	11	12	13
Class number	Ontario under-preciated capital cost at the beginning of the year (undepreciated 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 adjustments (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Ontario under-preciated 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 exceeds column 5)	Reduced undepreciated 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 under-preciated capital cost at the end of the year (column 6 minus column 12)

See note 1 below

See note 2 below

1	10,165,893	1,626,013	0	0	11,791,906	813,006	10,978,900	4	0	0	439,156	11,352,750
2	8,052,694	0	0	0	8,052,694	0	8,052,694	6	0	0	483,162	7,569,532
8	1,031,478	0	0	0	1,031,478	0	1,031,478	20	0	0	206,296	825,182
12	966,522	242,929	0	0	1,209,451	121,464	1,087,987	100	0	0	1,087,987	121,464
Total	20,216,587	1,868,942	0	0	22,085,529	934,470	21,151,059		0	0	2,216,601	19,868,928
Enter in boxes [650]										[650]	[650] on the CT23	

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3.

List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).

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

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

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



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.	1800342	2003-12-31

- 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) ..... **1,618,195<sup>A</sup>**

**Add:**

Cost of eligible capital property acquired during the taxation year	.....	+	<b>0<sup>B</sup></b>	
Amount transferred on amalgamation or wind-up of subsidiary	.....	+	<b>0<sup>C</sup></b>	
Other adjustments	.....	+	<b>0<sup>D</sup></b>	
<b>Total of B + C + D</b>	.....	=	<b>0</b>	X 0.75 = <b>0<sup>E</sup></b>
<b>Subtotal A + E</b>	.....	=	<b>1,618,195<sup>F</sup></b>	

**Deduct:**

Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	.....	+	<b>0<sup>G</sup></b>	
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)	.....	+	<b>0<sup>H</sup></b>	
Other adjustments	.....	+	<b>0<sup>I</sup></b>	
<b>Total of G + H + I</b>	.....	=	<b>0</b>	X 0.75 = <b>0<sup>J</sup></b>
<b>Ontario cumulative eligible capital balance F – J</b>	.....	=	<b>1,618,195<sup>K</sup></b>	

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

**Current year deduction** **1,618,195<sup>K</sup>** X 7.00%\* ..... = **113,274<sup>L</sup>**

\* The maximum current year deduction is 7%. However, you can claim any amount up to the maximum. Enter amount in box **651** of the CT23

**Ontario cumulative eligible capital - closing balance K – L (if negative, enter zero)** ..... = **1,504,921<sup>M</sup>**

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<sup>N</sup>**

Total cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988 ..... **0<sup>1</sup>**

Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA ..... **0<sup>2</sup>**

Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988 ..... **0<sup>3</sup>**

Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 ..... **0<sup>4</sup>**

Line 3 deduct line 4 ..... **0**

Total lines 1 + 2 + 5 ..... **0<sup>5</sup>**

Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000 ..... **0<sup>6</sup>**

Deduct line 7 from line 6 ..... **0<sup>7</sup>**

**N – O (cannot be negative)** ..... **0<sup>O</sup>**

Amount on line 5 ..... **0** X 1/2 ..... **0<sup>P</sup>**

**P – Q** ..... **0<sup>Q</sup>**

Amount on line R ..... **0** X 2/3\* ..... **0<sup>R</sup>**

Lesser of line N or line O ..... **0<sup>S</sup>**

**Amount to be included in income S + T** ..... **0<sup>T</sup>**

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







**Corporate Minimum Tax (CMT)**  
**CT23 Schedule 101**

Page 1 of 3

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Westario Power Inc.	1800342	2003-12-31

**Part 1: Calculation of CMT Base**

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

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

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ± 2100 732,272.

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

Provision for recovery of income taxes / benefit of current income taxes	- - - - -	+	2101	0.
Provision for deferred income taxes (credits) / benefit of future income taxes	- - - - -	+	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.
Dividends received/receivable deductible under fed.s.138(6)	- - - - -	+	2108	0.
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1)	0. x 3 - - - - -	+	2109	0.

**Subtotal** = 2110 0.

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

Provision for current taxes / cost of current income taxes	+	2111	87,000.
Provision for deferred income taxes (debits) / cost of future income taxes	+	2112	626,000.
Equity losses from corporations	+	2113	0.
Share of partnership(s)/joint venture(s) losses	+	2114	0.
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+	2115	0.

**Subtotal** = 2116 713,000.

**Add/Subtract:**

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

** Fed.s.85	+	2117	0.	or -	2118	0.
** Fed.s.85.1	+	2119	0.	or -	2120	0.
** Fed.s.97	+	2121	0.	or -	2122	0.
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	+	2123	0.	or -	2124	0.
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	+	2125	0.	or -	2126	0.
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	+	2127	0.	or -	2128	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)** = 2129 0.

**Subtotal (Subtractions)** = 2130 0.

\*\* Other adjustments ± 2131 0.

**Subtotal** ± 2100 - 2110 + 2116 + 2129 - 2130 ± 2131 = 2132 1,445,272.

\*\* Share of partnership(s)/joint venture(s) **adjusted** net income/loss ± 2133 0.

**Adjusted net income (loss)** (if loss, transfer to 2202 in **Part 2: Continuity of CMT Losses Carried Forward.**) = 2134 1,445,272.

Deduct: \* CMT losses: pre-1994 Loss + From 2210 0.

\* CMT losses: other eligible losses + 2211 0.

= 2135 0.

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

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

**CMT Base** = 2136 1,445,272.

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

# Corporate Minimum Tax (CMT) CT23 Schedule 101

Corporation's Legal Name Westario Power Inc.	Ontario Corporations Tax Account No. (MOF) 1800342	Taxation Year End 2003-12-31
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## Part 2: Continuity of CMT Losses Carried Forward

**Balance at Beginning of year** NOTES (1), (2) ----- + 2201 0.

**Add:** Current year's losses ----- + 2202 0.  
 Losses from predecessor corporations on amalgamation NOTE (3) ----- + 2203 0.  
 Losses from predecessor corporations on wind-up NOTE (3) ----- + 2204 0.

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

**Subtotal** ----- = 0. + 2207 0.

Adjustments (attach schedule) ----- ± 2208 0.

**CMT losses available** 2201 + 2207 ± 2208 ----- = 2209 0.

**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 NOTE (4) + 2211 0.  
 Losses expired during the year ----- + 2212 0.

**Subtotal** ----- = 0. - 2213 0.

**Balances at End of Year** NOTE (5) 2209 - 2213 ----- = 2214 0.

### 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 2134 and CMT losses available 2209.
- (5) Amount in 2214 must equal sum of 2270 + 2290.

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

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

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 1995-12-31	2260 0	2280 0
2241	8th preceding taxation year 1996-12-31	2261 0	2281 0
2242	7th preceding taxation year 1997-12-31	2262 0	2282 0
2243	6th preceding taxation year 1998-12-31	2263 0	2283 0
2244	5th preceding taxation year 1999-12-31	2264 0	2284 0
2245	4th preceding taxation year 2000-12-31	2265 0	2285 0
2246	3rd preceding taxation year 2001-12-31	2266 0	2286 0
2247	2nd preceding taxation year 2002-05-06	2267 0	2287 0
2248	1st preceding taxation year 2002-12-31	2268 0	2288 0
2249	Current taxation year 2003-12-31	2269 0	2289 0
<b>Totals</b>		2270 0	2290 0

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

# Corporate Minimum Tax (CMT) CT23 Schedule 101

Page 3 of 3

Corporation's Legal Name Westario Power Inc.	Ontario Corporations Tax Account No. (MOF) 1800342	Taxation Year End 2003-12-31
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## Part 4: Continuity of CMT Credit Carryovers

**Balance at Beginning of year** NOTE (1) ..... + 2301 66,899.

**Add:** Current year's CMT Credit ( 280 on page 8 of the CT23  
or 347 on page 6 of the CT8. If negative, enter NIL) ..... + From 280 or 347 57,811.

Gross Special Additional Tax NOTE (2) 312 on page 5 of the CT8  
(Life Insurance corporations only. Others enter NIL) + From 312 .....

Subtract Income Tax  
( 190 on page 6 of the CT23 or page 4 of the CT8) - From 190 .....

**Subtotal** (if negative, enter NIL) ..... = 2305 .....

Current year's CMT credit (if negative, enter NIL) 280 or 347 - 2305 ..... = ..... + 2310 57,811.

CMT Credit Carryovers from predecessor corporations NOTE (3) ..... + 2325 0.

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

**Subtotal** 2301 + 2310 + 2325 ..... = 2330 124,710.

Adjustments (Attach schedule) ..... ± 2332 0.

**CMT Credit Carryover available** 2330 ± 2332 ..... = 2333 124,710.

**Subtract:** CMT Credit utilized during the year to reduce income tax  
( 310 on page 8 of the CT23 or 351 on page 6 of the CT8.) ..... + From 310 or 351 0.

CMT Credit expired during the year ..... + 2334 0.

**Subtotal** ..... = ..... - 2335 0.

**Balance at End of Year** NOTE (4) 2333 - 2335 ..... = 2336 124,710.

- Notes:**
- (1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))
- (2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).
- (3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))
- (4) Amount in 2336 must equal sum of 2370 + 2390.

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

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	9th preceding taxation year 1995-12-31	2360 0	2380 0
2341	8th preceding taxation year 1996-12-31	2361 0	2381 0
2342	7th preceding taxation year 1997-12-31	2362 0	2382 0
2343	6th preceding taxation year 1998-12-31	2363 0	2383 0
2344	5th preceding taxation year 1999-12-31	2364 0	2384 0
2345	4th preceding taxation year 2000-12-31	2365 0	2385 0
2346	3rd preceding taxation year 2001-12-31	2366 0	2386 0
2347	2nd preceding taxation year 2002-05-06	2367 0	2387 0
2348	1st preceding taxation year 2002-12-31	2368 66,899	2388 0
2349	Current taxation year 2003-12-31	2369 57,811	2389 0
<b>Totals</b>		2370 124,710	2390 0

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

# Corporate Minimum Tax - Associated Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Westario Power Inc.	1800342	2003-12-31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
Westario Power Services Inc.	1800224	2003-12-31	4,464,770	4,102,050
Westario Power Holdings Inc.	1800222	2003-12-31	18,334,080	546,615
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
<b>Totals</b>			<b>= 22,798,850</b>	<b>= 4,648,665</b>

Transfer to 249 of the CT23      Transfer to 250 of the CT23

ONTARIO TAX INSTALMENTS

For The Taxation Year Ended: 2004-12-31

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

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

Quarterly Instalment

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
2004-03-31	0	0	0	0
2004-06-30	0	0	0	0
2004-09-30	0	0	0	0
2004-12-31	0	0	0	0
	-----	-----		-----
	0	0		0
	=====	=====		=====

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
2004-01-31	0	0	0	0
2004-02-29	0	0	0	0
2004-03-31	12,680	0	12,680	0
2004-04-30	12,680	0	25,360	0
2004-05-31	12,680	0	0	38,040
2004-06-30	12,680	0	0	12,680
2004-07-31	12,680	0	0	12,680
2004-08-31	12,680	0	0	12,680
2004-09-30	12,680	0	0	12,680
2004-10-31	12,680	0	0	12,680
2004-11-30	12,680	0	0	12,680
2004-12-31	12,680	0	0	12,680
2005-01-31				10,567
2005-02-28				10,567
	-----	-----		-----
<b>Total</b>	126,800	0		147,934
	=====	=====		=====

## FEDERAL TAX INSTALMENTS

For The Taxation Year Ended: 2004-12-31

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

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
2004-01-31	0	0	0	0
2004-02-29	0	0	0	0
2004-03-31	5,026	0	5,026	0
2004-04-30	5,026	0	10,052	0
2004-05-31	5,026	0	0	15,078
2004-06-30	5,026	0	0	5,026
2004-07-31	5,026	0	0	5,026
2004-08-31	5,026	0	0	5,026
2004-09-30	5,026	0	0	5,026
2004-10-31	5,026	0	0	5,026
2004-11-30	5,026	0	0	5,026
2004-12-31	5,026	0	0	5,026
2005-01-31				4,188
2005-02-28				4,188
<b>Total</b>	50,260	0		58,636



## Appendix 25

### 2003 Notice of Assessments

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

Keep this portion for your records.

## Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990  
from 2003/01/01 to 2003/12/31

Account No.	Reassessment Date (year, month, day)	Page
1800342	2006/02/23	2 of 3

VER INC.

MENT NO. 73 REPLACING ASSESSMENT DATED: 2004/08/24

Tax: Federal and Provincial PIL	177,050.00
Assessment Interest	<u>7,703.20</u>
Total Reassessment Liability	184,753.20

### SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	177,351.69CR	
Sub-Total		<u>177,351.69CR</u>
TAXATION YEAR BALANCE DUE **		<u>7,401.51</u>

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

Adjustment to the computation of Corporate Minimum Tax reported.

Adjustment to the computation of Capital Tax.

NEW AMALGAMATION: Instalments based on grossed up/aggregate of predecessor companies.

\*\*Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC). The current interest rate is 0.0219178%.

V-127

2003.

8920-cc 920-200

611000 - 7401.51  
611000 - 9.74

7411.25

pay ment # 197040  
interest

#### Tax (Re)Assessment Enquiries:

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

#### Account Billing Enquiries & Change of Address Information:

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

## Appendix 26

### 2004 T2 Federal Tax Return

KPMG File Stamp  
London (CA 050)

Client Name: Westario Power

Year: \_\_\_\_\_ Prepared By: \_\_\_\_\_

Reviewed By: \_\_\_\_\_

Gen Corr ☐ Working Paper File ☐

Perm File ☐ T1 ☐ T2 ☒ T3 ☐

Billing File ☐ T4/T5 ☐

Tax Corr ☐ Tax Perm ☐ Day File ☐

Tax Special ☐ \_\_\_\_\_

Other ☐ \_\_\_\_\_

Filed By: \_\_\_\_\_

Ministry of Finance  
Attention: Mr. Ian Tso  
5 Park Home Avenue  
North York, ON M2N 6W8  
Fax: (416) 730 - 5575

September 7, 2005

Dear Mr. Tso

**Westario Power Inc. ("the Company")**  
**Taxation year ended December 31, 2002, 2003 & 2004**  
**Corporate Account Number 1800342**

Please find enclosed amended corporate tax returns for the Company's taxation years ended December 31, 2002, December 31, 2003 and December 31, 2004.

The amended returns are filed as a consequence of the restatement of the Company's regulatory asset balances and related carrying charges in 2002, 2003 and 2004. As a result of the changes the Company's taxable income in 2002 has increased to \$960,016 from \$653,860 as previously amended. The Company's 2003 loss has been reduced to \$128,790 from a loss of \$244,273 as previously amended. The Company's 2004 taxable income has been reduced to \$887,147 from \$970,643 as originally filed. The claim for the Apprenticeship Tax Credit has been eliminated and will be claimed by the employer Westario Power Services Inc.

It is anticipated that the company's income tax and capital tax payable will change by the following amounts:

	2002			2003			2004		
	As Amended	June 05 Amended	Change	As Amended	June 05 Amended	Change	As Amended	As Filed	Change
Income Tax Federal & Provincial	-	-	-	-	-	-	31,342	-	31,342
Corporate Minimum Tax	66,899	14,114	52,785	57,811	43,635	14,176	35,279	47,402	(12,123)
Capital Tax	50,351	55,567	(5,216)	68,987	66,296	2,691	73,110	52,049	21,061
LCT	29,118	27,960	1,158	50,252	46,740	3,512	-	-	-
<b>Total</b>			<b><u>48,727</u></b>			<b><u>20,379</u></b>			<b><u>40,280</u></b>





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

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

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

## Identification

Business Number (BN) ..... 001 865909790RC0001

Corporation's name

002 Westario Power Inc.

AMENDED

Has the corporation changed its name since the last time we were notified? ... 003 1 Yes ☐ 2 No ☒If Yes, do you have a copy of the articles of amendment? ..... 004 1 Yes ☐ 2 No ☐

## Address of head office

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

011 385 Queen Street

012

City

Province, territory, or state

015 Kincardine

016 ON

Country (other than Canada)

Postal code/ZIP code

017

018 N2Z-2R4

## Mailing address (if different from head office address)

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

c/o

022 385 Queen Street

023

City

Province, territory, or state

025 Kincardine

026 ON

Country (other than Canada)

Postal code/ZIP code

027

028 N2Z-2R4

## Location of books and records

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

031 385 Queen Street

032

City

Province, territory, or state

035 Kincardine

036 ON

Country (other than Canada)

Postal code/ZIP code

7

038 N2Z-2R4

## 040 Type of corporation at the end of the taxation year

- 1 ☒ Canadian-controlled private corporation (CCPC)      4 ☐ Corporation controlled by a public corporation
- 2 ☐ Other private corporation      5 ☐ Other corporation (specify, below)
- 3 ☐ Public corporation

If the type of corporation changed during the taxation year, provide the effective date of the change ..... 043

YYYY/MM/DD

## To which taxation year does this return apply?

Taxation year start

Taxation year-end

060 2004-01-01

061 2004-12-31

YYYY/MM/DD

YYYY/MM/DD

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

If Yes, give the date control was acquired ..... 065

YYYY/MM/DD

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

## Is this the first year of filing after:

- Incorporation? ..... 070 1 Yes ☐ 2 No ☒
- Amalgamation? ..... 071 1 Yes ☐ 2 No ☒

If Yes, complete and attach Schedule 24.

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

If Yes, complete and attach Schedule 24.

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

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

## Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If No, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? ..... 082 1 Yes ☐ 2 No ☒

If Yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

- 085 1 ☐ Exempt under paragraph 149(1)(e) or (l)
- 2 ☐ Exempt under paragraph 149(1)(j)
- 3 ☐ Exempt under paragraph 149(1)(t)
- 4 ☐ Exempt under other paragraphs of section 149

## Attachments

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

\* We do not print these schedules.

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

Guide item	Yes	Schedule
27 Is the corporation related to any other corporations?	150 <input checked="" type="checkbox"/>	9
28 Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
29 Is the corporation an associated Canadian-controlled private corporation?	160 <input checked="" type="checkbox"/>	23
30 Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
32 Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162 <input type="checkbox"/>	11
33 If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163 <input type="checkbox"/>	44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
38 Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167 <input type="checkbox"/>	T5013
40 Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168 <input type="checkbox"/>	22
41 Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	25
42 Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170 <input type="checkbox"/>	29
43 Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
47 Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172 <input type="checkbox"/>	—
46 For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input checked="" type="checkbox"/>	50
55 Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
78-81 Has the corporation made any charitable donations, gifts to Canada, a province or a territory, or gifts of cultural or ecological property?	202 <input checked="" type="checkbox"/>	2
82,104 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
69-76 Is the corporation claiming any type of losses?	204 <input checked="" type="checkbox"/>	4
132 Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input type="checkbox"/>	5
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 <input type="checkbox"/>	6
100 i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207 <input type="checkbox"/>	7
57 Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property?	210 <input checked="" type="checkbox"/>	10
59 Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
60 Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
61 Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
62 Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
150 Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
131 Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
118 Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221 <input type="checkbox"/>	21
155 Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
111 Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
121 Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
63 Is the corporation claiming any scientific research and experimental development expenditures?	232 <input type="checkbox"/>	T661
124 Is the corporation subject to gross Part I.3 tax?	233 <input type="checkbox"/>	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236 <input checked="" type="checkbox"/>	36
124 Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
128 Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
128 Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	42
129 Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243 <input type="checkbox"/>	43
129 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
125 Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	46
128 For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250 <input type="checkbox"/>	39
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131
153 Is the corporation claiming a film or video production services tax credit refund?	254 <input type="checkbox"/>	T1177
130 Is the corporation subject to Part XIII.1 tax?	255 <input type="checkbox"/>	92 *

## Attachments – continued from page 2

## Guide item

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

## Additional information

Is the corporation inactive? ☐ 1 Yes ☒ 2 No ☒

Has the major business activity changed since the last return was filed? (enter Yes for first-time filers) ☐ 1 Yes ☒ 2 No ☒

What is the corporation's major business activity? ☐ 282 \_\_\_\_\_  
(Only complete if Yes was entered at line 281)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail ☐ 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Hydro Services	285	100%
286		287	0%
288		289	0%

Did the corporation immigrate to Canada during the taxation year? ☐ 291 1 Yes ☒ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? ☐ 292 1 Yes ☒ 2 No ☒

## Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF ☐ 300 887,147 A

**Deduct:**

Charitable donations from Schedule 2	311	75
Gifts to Canada, a province, or a territory from Schedule 2	312	0
Cultural gifts from Schedule 2	313	0
Ecological gifts from Schedule 2	314	0
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	0
Part VI.1 tax deduction from Schedule 43**	325	0
Non-capital losses of preceding taxation years from Schedule 4	331	800,185
Net-capital losses of preceding taxation years from Schedule 4	332	0
Restricted farm losses of preceding taxation years from Schedule 4	333	0
Farm losses of preceding taxation years from Schedule 4	334	0
Limited partnership losses of preceding taxation years from Schedule 4	335	0
Taxable capital gains or taxable dividends allocated from a central credit union	340	0
Prospector's and grubstaker's shares	350	0
<b>Subtotal</b>		<u>800,260</u>

Subtotal (amount A minus amount B) (if negative, enter "0") 800,260 B

**Add:**

Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355	0
<b>Taxable income</b> (amount C plus amount D)	360	<u>86,887</u>
Income exempt under paragraph 149(1)(t)	370	0
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		<u>86,887</u> z

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