



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

Account No
1800263

35
PX5003

KINGSTON ELECTRICITY DISTRIBUTION LIMITED
R. K. MCCONNACHIE
211 COUNTER ST

KINGSTON
K7L 4X7

ON

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Taxation Year End: (YYYYMMDD)

Payment Amount: \$

Total Payment Enclosed: \$



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Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 to 2001/12/31

KINGSTON ELECTRICITY DISTRIBUTION LIMITED

Account No.	Assessment Date (year, month, day)	Page
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ASSESSMENT NO. 13

Tax: Federal and Provincial PIL
Assessment Interest
Total Assessment Liability

102,667.00 ✓
2,069.55CR
100,597.45

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	156,000.00CR
Sub-Total	<u>156,000.00CR</u>
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR	<u>55,402.55CR</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.

Total tax assessed as per company estimate

Tax (Re)Assessment Enquiries:

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

Account Billing Enquiries & Change of Address Information:

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

T2 CORPORATION INCOME TAX RETURN

200
Code 0101

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

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, including proposed legislation, see the corresponding items in the *2001 T2 Corporation Income Tax Guide*.

Send one completed copy of this return, including schedules, and the *General Index of Financial Information (GIFI)* to your tax services office or to the tax centre that serves the corporation. 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 <u>866529399RC0001</u>		CLIENT'S COPY	
Corporation's name 002 <u>Kingston Electricity Distribution Limited</u>			
Has the corporation changed its name since the last time we were notified? ... 003 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/>		If yes, do you have a copy of the articles of amendment? 004 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/>	
Address of head office Has the address changed since the last time we were notified? 010 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>		To which taxation year does this return apply? Taxation year start 060 <u>2001-10-01</u> Taxation year end 061 <u>2001-12-31</u> YYYY/MM/DD YYYY/MM/DD	
011 <u>CITY OF KINGSTON</u> 012 <u>211 COUNTER STREET</u> City Province, territory, or state		Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
015 <u>KINGSTON</u> Country (other than Canada)		If yes, provide the date control was acquired 065 _____ YYYY/MM/DD	
017 _____ 018 <u>K7K-6C7</u> Postal Code/ZIP code			
Mailing address (if different from head office address) Has the address changed since the last time we were notified? 020 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>		Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
021 <u>c/o R.K. McConnachie</u> 022 <u>Utilities Kingston</u>		Is this the first year of filing after: Incorporation? 070 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> Amalgamation? 071 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
023 <u>211 COUNTER STREET</u> City Province, territory, or state		If yes, please provide Schedule 24	
025 <u>KINGSTON</u> Country (other than Canada)		Has there been a windup of a subsidiary under section 88 during the current taxation year? If yes, please provide Schedule 24 072 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
027 _____ 028 <u>K7L-4X7</u> Postal code/ZIP code			
Location of books and records 031 <u>CITY OF KINGSTON</u>		Is this the final taxation year before amalgamation? 076 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
032 <u>211 COUNTER STREET</u> City Province, territory, or state		Is this the final return up to dissolution? 078 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
035 <u>KINGSTON</u> Country (other than Canada)		Is the corporation a resident of Canada? 080 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/> If no, give the country of residence.	
037 _____ 038 <u>K7K-6C7</u> Postal Code/ZIP code		081 _____	
040 Type of corporation at the end of the taxation year 1 <input checked="" type="checkbox"/> Canadian-controlled private corporation (CCPC) 4 <input type="checkbox"/> Corporation controlled by a public corporation 2 <input type="checkbox"/> Other private corporation 5 <input type="checkbox"/> Other corporation (please specify, below) 3 <input type="checkbox"/> Public corporation		Is the non-resident corporation claiming an exemption under an income tax treaty? If yes, please provide Schedule 91 082 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
If the type of corporation changed during the taxation year, please provide the effective date of the change 043 _____ YYYY/MM/DD		If the corporation is exempt from tax under section 149, tick one of the following boxes: 085 1 <input type="checkbox"/> Exempt under 149(1)(e) or (l) 2 <input type="checkbox"/> Exempt under 149(1)(j) 3 <input type="checkbox"/> Exempt under 149(1)(t) 4 <input type="checkbox"/> Exempt under other paragraphs of section 149	
Do not use this area			
091	092	093	094
095	096		

Attachments

Financial statement information: For taxation years ending in 2000 and later, 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.

Item	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
28 Does the corporation have any non-resident shareholders?	<input type="checkbox"/>	19
29 Is the corporation an associated Canadian-controlled private corporation?	<input checked="" type="checkbox"/>	23
30 Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	<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	<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?	<input type="checkbox"/>	44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input checked="" type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	<input type="checkbox"/>	T5004
38 Is the corporation a member of a partnership for which a partnership identification number has been assigned?	<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?	<input type="checkbox"/>	22
41 Did the corporation have any foreign affiliates during the year?	<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> ?	<input type="checkbox"/>	29
43 Has the corporation had any non-arm's-length transactions with a non-resident?	<input type="checkbox"/>	T106
47 Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	<input type="checkbox"/>	---
46 Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<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?	<input checked="" type="checkbox"/>	1
78-81 Has the corporation made any charitable donations, gifts to Canada or a province, or gifts of cultural or ecological property?	<input type="checkbox"/>	2
82,104 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input type="checkbox"/>	3
69-76 Is the corporation claiming any type of losses?	<input type="checkbox"/>	4
131 Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	<input type="checkbox"/>	6
102 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?	<input type="checkbox"/>	7
57 Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property?	<input checked="" type="checkbox"/>	10
59 Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
60 Is the corporation claiming reserves of any kind?	<input type="checkbox"/>	13
61 Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
62 Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	<input type="checkbox"/>	17
149 Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
130 Was the corporation carrying on business in Canada while not a Canadian corporation?	<input type="checkbox"/>	20 *
117 Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	<input type="checkbox"/>	21
154 Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	<input type="checkbox"/>	26 *
110 Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
120 Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
63 Is the corporation claiming any scientific research and experimental development expenditures?	<input type="checkbox"/>	T661
123 Is the corporation subject to gross Part I.3 tax?	<input checked="" type="checkbox"/>	33/34/35
123 Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	<input checked="" type="checkbox"/>	36
123 Is the corporation claiming a surtax credit?	<input type="checkbox"/>	37
127 Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
127 Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
128 Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
128 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
124 Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	<input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<input type="checkbox"/>	39
127 For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	<input type="checkbox"/>	40
127 For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	<input type="checkbox"/>	41
151 Is the corporation claiming a Canadian film or video production tax credit refund?	<input type="checkbox"/>	T1131

Attachments - continued from page 2

Guide item	Yes	Schedule
129 Is the corporation subject to Part XIII.1 tax?	<input type="checkbox"/>	92 *
152 Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
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
— Is the corporation claiming the BC mining exploration tax credit?	<input type="checkbox"/>	421
— Is the corporation claiming the BC SR&ED tax credit?	<input type="checkbox"/>	T666

Additional information

Is the corporation inactive?	280	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter yes for first time filers)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity?	282	_____	
(Only complete if yes was entered at line 281.)			
If the major activity involves the resale of goods, indicate whether it is wholesale or retail	283	1 Wholesale <input type="checkbox"/>	2 Retail <input checked="" type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	<u>ELECTRICAL POWER</u>	285 <u>100</u> %
	286	_____	287 <u>0</u> %
	288	_____	289 <u>0</u> %
Did the corporation immigrate to Canada during the taxation year?	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL	300	<u>216,509</u>	A
Deduct: Charitable donations from Schedule 2	311	<u>0</u>	
Gifts to Canada or a province from Schedule 2	312	<u>0</u>	
Cultural gifts from Schedule 2	313	<u>0</u>	
Ecological gifts from Schedule 2	314	<u>0</u>	
Taxable dividends deductible under section 112, 113, or subsection 138(6) from Schedule 3	320	<u>0</u>	
Part VI.1 tax deduction from Schedule 43	325	<u>0</u>	
Non-capital losses of preceding taxation years from Schedule 4	331	<u>0</u>	
Net-capital losses of preceding taxation years from Schedule 4	332	<u>0</u>	
Restricted farm losses of preceding taxation years from Schedule 4	333	<u>0</u>	
Farm losses of preceding taxation years from Schedule 4	334	<u>0</u>	
Limited partnership losses of preceding taxation years from Schedule 4	335	<u>0</u>	
Taxable capital gains or taxable dividends allocated from a central credit union	340	<u>0</u>	
Prospector's and grubstaker's shares	350	<u>0</u>	
Subtotal		<u>0</u>	0 B
Subtotal (amount A minus amount B)		<u>216,509</u>	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355	<u>0</u>	D
Taxable income (amount C plus amount D)	360	<u>216,509</u>	
Income exempt under paragraph 149(1)(t)	370	<u>0</u>	
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		<u>216,509</u>	z

Small business deduction

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

Income from active business carried on in Canada from Schedule 7	400	<u>216,509</u>	A
Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636** on page 7, and minus any amount that, because of federal law is exempt from Part I tax	405	<u>216,509</u>	B
Business limit (for associated corporations, enter business limit from Schedule 23)	410	<u>50,411</u>	C
Reduction to business limit:			
Amount C <u>50,411</u> x <u>415</u> *** = <u>0</u> D			E
		<u>11,250</u>	
Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	<u>50,411</u>	F
Small business deduction - 16.00% of the least of amounts A, B, C, and F (enter amount G on line 9 of page 7)	430	<u>8,066</u>	G

- * Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.
- ** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.
- *** **Large corporation tax for preceding year** - Enter the total gross Part I.3 tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporations, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

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

Reduced business limit (amount from line 425)	<u>50,411</u> x 3/2 =	<u>75,617</u>	A
Net active business income (amount from line 400)*		<u>216,509</u>	B
Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of the maximum deductible amount at line 636** on page 7, and minus any amount that, because of federal law is exempt for Part I Tax		<u>216,509</u>	C
Deduct: Aggregate investment income (amount from line 440 of page 6)		<u>0</u>	D
Amount C minus amount D (if negative, enter "0")		<u>216,509</u>	E
The least of amounts A, B, or E above		<u>75,617</u>	F
Amount Z from Part 9 of Schedule 27	<u>0</u> x 100/7 =	<u>0</u>	G
Amount QQ from Part 13 of Schedule 27		<u>0</u>	H
Resource allowance (amount from line 346 of Schedule 1)	<u>0</u> x 3 =	<u>0</u>	I
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		<u>0</u>	J
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction		<u>50,411</u>	K
Total of amounts G, H, I, J, and K		<u>50,411</u>	L
Amount F minus amount L (if negative, enter "0")		<u>25,206</u>	M
Amount M <u>25,206</u> x $\frac{\text{Number of days in the taxation year after December 31, 2000}}{\text{Number of days in the taxation year}}$	<u>92</u> / <u>92</u> =	<u>25,206</u>	N
Accelerated tax reduction - 7% of amount N (enter amount O on line 637 of page 7)		<u>1,764</u>	O

- * If the amount at line 450 of Schedule 7 is positive, specified partnerships need to use Schedule 70 to calculate net active business income.
- ** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 or amount Z of page 3					<u>216,509</u> A
Amount Z from Part 9 of Schedule 27	<u>0</u>	x 100/7		<u>0</u>	B
Amount QQ from Part 13 of Schedule 27				<u>0</u>	C
Resource allowance (amount from line 346 of Schedule 1)	<u>0</u>	x 3 =		<u>0</u>	D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)				<u>0</u>	E
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction on page 4				<u>50,411</u>	F
Aggregate investment income from line 440 of page 6				<u>0</u>	G
Amount used to calculate the accelerated tax reduction (amount M of page 4)				<u>25,206</u>	H
Total of amounts B, C, D, E, F, G, and H				<u>75,617</u>	<u>75,617</u> I
Amount A minus amount I (if negative, enter "0")					<u>140,892</u> J
Amount J	<u>140,892</u>	x	Number of days in the taxation year in 2001 Number of days in the taxation year	<u>92</u> x 1% = <u>92</u>	<u>1,409</u> K
Amount J	<u>140,892</u>	x	Number of days in the taxation year in 2002 Number of days in the taxation year	<u>0</u> x 3% = <u>92</u>	<u>0</u> L
Amount J	<u>140,892</u>	x	Number of days in the taxation year in 2003 Number of days in the taxation year	<u>0</u> x 5% = <u>92</u>	<u>0</u> M
Amount J	<u>140,892</u>	x	Number of days in the taxation year after 2003 Number of days in the taxation year	<u>0</u> x 7% = <u>92</u>	<u>0</u> N
General tax reduction for Canadian-controlled private corporations - Total of amounts K, L, M and N (enter amount O on line 638 of page 7)					<u>1,409</u> O

General tax reduction

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

Taxable income from line 360 or amount Z of page 3					<u>0</u> A
Amount Z from Part 9 of Schedule 27	<u>0</u>	x 100/7		<u>0</u>	B
Amount QQ from Part 13 of Schedule 27				<u>0</u>	C
Resource allowance (amount from line 346 of Schedule 1)	<u>0</u>	x 3 =		<u>0</u>	D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)				<u>0</u>	E
Total of amounts B, C, D, and E				<u>0</u>	<u>0</u> F
Amount A minus amount F (if negative, enter "0")					<u>0</u> G
Amount G	<u>0</u>	x	Number of days in the taxation year in 2001 Number of days in the taxation year	<u>92</u> x 1% = <u>92</u>	<u>0</u> H
Amount G	<u>0</u>	x	Number of days in the taxation year in 2002 Number of days in the taxation year	<u>0</u> x 3% = <u>92</u>	<u>0</u> I
Amount G	<u>0</u>	x	Number of days in the taxation year in 2003 Number of days in the taxation year	<u>0</u> x 5% = <u>92</u>	<u>0</u> J
Amount G	<u>0</u>	x	Number of days in the taxation year after 2003 Number of days in the taxation year	<u>0</u> x 7% = <u>92</u>	<u>0</u> K
General tax reduction - Total of amounts H, I, J and K (enter amount L on line 639 of page 7)					<u>0</u> L

Corporation's name Kingston Electricity Distribution Limited	Business Number 866529399RC0001	Taxation year-end 2001-12-31
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Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income 440	<u>0</u> x 26 2/3% =	.....	<u>0</u> A
(amount P from Part 1 of Schedule 7)			
Foreign non-business income tax credit from line 632 on page 7		.....	<u>0</u>
Deduct:			
Foreign investment income 445	<u>0</u> x 9 1/3% =	.....	<u>0</u>
(amount O from Part 1 of Schedule 7)	(if negative, enter "0")	.....	<u>0</u> B
Amount A minus amount B (if negative, enter "0")		.....	<u>0</u> C
Taxable income from line 360 on page 3		.....	<u>216,509</u>
Deduct:			
Least of amounts on lines 400, 405, 410, and 425 on page 4		.....	<u>50,411</u>
Foreign non-business income tax credit from line 632 of page 7	<u>0</u> x 25/9 =	.....	<u>0</u>
Foreign business income tax credit from line 636 of page 7	<u>0</u> x 10/4 =	.....	<u>0</u>
		.....	<u>50,411</u>
		.....	<u>50,411</u>
		.....	<u>166,098</u> x 26 2/3% =
		.....	<u>44,293</u> D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8)		.....	<u>51,808</u>
Deduct corporate surtax from line 600 of page 7		.....	<u>2,425</u>
Net amount		.....	<u>49,383</u> E
Refundable portion of Part I tax - The least of amounts C, D, and E		.....	<u>450</u> F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year	.....	460	<u>0</u>	
Deduct dividend refund for the previous taxation year	.....	465	<u>0</u>	
			<u>0</u>	<u>0</u> A
Add the total of:				
Refundable portion of Part I tax from line 450 above	.....		<u>0</u>	
Total Part IV tax payable from line 360 on page 2 of Schedule 3	.....		<u>0</u>	
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	.....	480	<u>0</u>	
			<u>0</u>	<u>0</u> B
Refundable dividend tax on hand at the end of the taxation year - Amount A plus amount B	.....	485	<u>0</u>	<u>0</u>

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year				
Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3	.....	<u>0</u>	x 1/3	<u>0</u> A
Refundable dividend tax on hand at the end of the taxation year from line 485 above	.....			<u>0</u> B
Dividend refund - Lesser of amounts A and B (enter this amount on line 784 of page 8)	.....			<u>0</u>

Part I tax

Base amount of Part I tax - 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 550 82,273 A

Corporate surtax calculation

Base amount from line A above	<u>82,273</u>	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	<u>21,651</u>	2
Investment corporation deduction from line 620 below	<u>0</u>	3
Federal logging tax credit from line 640 below	<u>0</u>	4
Federal qualifying environmental trust tax credit from line 648 below	<u>0</u>	5

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

28.00 % of taxable income from line 360 of page 3	<u>0</u>	a	
28.00 % of taxed capital gains	<u>0</u>	b	0
Part I tax otherwise payable	<u>0</u>	c	

(line A plus lines C and D minus line F)
Total of lines 2 to 6

	<u>21,651</u>	7
--	---------------	---

Net amount (line 1 minus line 7)

	<u>60,622</u>	8
--	---------------	---

Corporate surtax - 4.00% of the amount on line 8 600 2,425 B

Recapture of investment tax credit from line XX in Part 16 of Schedule 31 602 0 C

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

Aggregate investment income from line 440 on page 6	<u>0</u>	i
Taxable income from line 360 on page 3	<u>216,509</u>	
Deduct:		
The least of amounts on lines 400, 405, 410, and 425 of page 4	<u>50,411</u>	
Net amount	<u>166,098</u>	ii

Refundable tax on CCPC's investment income - 6 2/3% of the lesser of amounts i or ii 604 0 D

Subtotal (add lines A, B, C, and D) 84,698 E

Deduct:

Small business deduction from line 430 of page 4	<u>8,066</u>	9
Federal tax abatement	<u>21,651</u>	608
Manufacturing and processing profits deduction from amount BB or amount VV of Schedule 27	<u>0</u>	616
Investment corporation deduction	<u>0</u>	620
(taxed capital gains 624 <u>0</u>)		
Additional deduction - credit unions from Schedule 17	<u>0</u>	628
Federal foreign non-business income tax credit from Schedule 21	<u>0</u>	632
Federal foreign business income tax credit from Schedule 21	<u>0</u>	636
Accelerated tax reduction from amount O of page 4	<u>1,764</u>	637
General tax reduction for CCPCs from amount O of page 5	<u>1,409</u>	638
General tax reduction from amount L of page 5	<u>0</u>	639
Federal logging tax credit from Schedule 21	<u>0</u>	640
Federal political contribution tax credit	<u>0</u>	644
Federal political contributions 646 <u>0</u>		
Federal qualifying environmental trust tax credit	<u>0</u>	648
Investment tax credit from Schedule 31	<u>0</u>	652
Subtotal	<u>32,890</u>	

32,890 F

Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8) 51,808 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	51,808
Part I.3 tax payable from Schedule 33, 34, or 35	704	8,762
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		60,570

Add provincial and territorial tax:

Provincial or territorial jurisdiction	750	ON	
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)			
Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760		0
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765		0
			0
Total tax payable	770		60,570 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0
Dividend refund from page 6	784	0
Federal capital gains refund from Schedule 18	788	0
Federal qualifying environmental trust tax credit refund	792	0
Canadian film or video production tax credit refund from Form T1131	796	0
Film or video production services tax credit refund from Form T1177	797	0
Tax withheld at source	800	0
Total payments on which tax has been withheld	801	0
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0
Provincial and territorial capital gains refund from Schedule 18	808	0
Provincial and territorial refundable tax credits from Schedule 5	812	0
Royalties deductible under Syncrude Remission Order	815	0
Tax remitted under Syncrude Remission Order	816	0
Tax instalments paid	840	0
Total credits	890	0 B

Refund code 894 Overpayment Balance (line A minus line B) 60,570

Direct deposit request

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

Start Change information

910 _____ Branch number

914 _____ Institution number 918 _____ Account number

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

Balance unpaid 60,570

Enclosed payment 898 0

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

Certification

I, 950 Taylor Last name in block letters 951 Nancy First name in block letters 954 Secretary Position, office or rank

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

955 2002-06-30 Date (yyyy/mm/dd) Signature of an authorized signing officer of the corporation 956 613-546-4291 Telephone number

Is the contact person the same as the authorized signing officer? If no, complete the information below 957 1 Yes 2 No

958 R. K. McConnachie Name in block letters 959 613-546-1181 Telephone number

Language of correspondence - Langue de correspondance

990 Please indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais 2 Français/French

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

INCOME (LOSS) FOR INCOME TAX PURPOSES

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

282391
 -231189

Net income (loss) after taxes and extraordinary items per financial statements			51,202	A
Additions:				
Amortization of tangible assets	<input type="checkbox"/> 104	326,786	✓	
Non-deductible meals and entertainment expenses	<input type="checkbox"/> 121	599	✓	
Subtotal of additions		327,385		327,385
Other Additions:				
Capital items expensed	<input type="checkbox"/> 206	13,149	✓	
Non-deductible legal and accounting fees	<input type="checkbox"/> 228	16,824	✓	
Miscellaneous Other Additions:				
Subtotal of Other Additions	<input type="checkbox"/> 199	29,973		29,973
Total Additions	<input type="checkbox"/> 500	357,358		357,358
Deductions:				
Capital cost allowance from Schedule 8	<input type="checkbox"/> 403	175,963	✓	
Cumulative eligible capital deduction from Schedule 10	<input type="checkbox"/> 405	223	✓	
Subtotal of Deductions		176,186		176,186
Other Deductions:				
Miscellaneous Other Deductions:				
<input type="checkbox"/> 700 Ontario Capital Tax	<input type="checkbox"/> 390	15,865		
Subtotal of Other Deductions	<input type="checkbox"/> 499	15,865		15,865
Total Deductions	<input type="checkbox"/> 510	192,051		192,051
Net income (loss) for income tax purposes				216,509
(enter on line 300 on the T2 return)				=====

Summary of Capital Cost Allowance

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

Class No.	UCC at Beginning of Year [200] [201]	Cost of Additions During Year [203] [203]	Adjustments [205] [205]	Lesser of Cost or Proceeds [207] [207]	1/2 of [203] - [207] [211] [211]	Rate % [212] [212]	Recapture of Capital Cost Allowance [213] [213]	Terminal Loss [215] [215]	Capital Cost Allowance [217] [217]	Undepreciated Capital Cost end of year [220] [220]
3 Bldgs	0	482,320	0	0	241,160	5	0	0	3,039	479,281
1 Ugd Dist	0	4,571,360	0	0	2,285,680	4	0	0	23,045	4,548,315
1 Sub Equip	0	2,424,233	0	0	1,212,116	4	0	0	12,221	2,412,012
1 Meters	0	2,214,677	0	0	1,107,338	4	0	0	11,165	2,203,512
1 Ohd Dist	0	5,346,498	0	0	2,673,249	4	0	0	26,952	5,319,546
1 Transmission	0	1,555,960	0	0	777,980	4	0	0	7,844	1,548,116
10 Scada	0	1,347,188	0	0	673,594	30	0	0	50,935	1,296,253
8 Tools	0	163,153	0	0	81,576	20	0	0	4,112	159,041
8	0	96,451	0	0	48,225	20	0	0	2,431	94,020
12 Application Software	0	52,324	0	0	26,162	100	0	0	6,594	45,730
1 TX	0	2,762,764	0	0	1,381,382	4	0	0	13,927	2,748,837
12 Scada Software	0	108,690	0	0	54,345	100	0	0	13,698	94,992
Total	0	21,125,618	0	0	10,562,807		0	0	175,963	20,949,655

Capital interest expensed

*3/8 exempt from 50% rule per IT 285R2
 TP 24*

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

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

Name	Ctry of residence	Business Number (Note)	Relation-ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of preferred shares owned	Book value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
CITY OF KINGSTON		873300495RC0001	1	0	0.00	0	0.00	0
1425445 Ontario Limited O/A		893404814RC0001	2	120	100.00	0	0.00	2

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

Relationship code:

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

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

Schedule 9

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

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

- For use by a corporation that has eligible capital property. For more information, see the "T2 Corporation Income Tax Guide".
- A separate cumulative eligible capital account must be kept for each business.
- This form applies to taxation years that end after February 27, 2000.

Part 1 - Calculation of current year deduction and carry-forward**Cumulative eligible capital - Balance at end of preceding taxation year**(if negative, enter "0") 0 A**Add:**Cost of eligible capital property acquired during
the taxation year 16,824 BAmount transferred on amalgamation or wind-up
of subsidiary 0 COther adjustments 0 D

(add amounts B, C, and D) 16,824 x 0.75 = 12,618 E

Subtotal (amount A plus amount E) 12,618 F**Deduct:**Proceeds of sale (less outlays and expenses not otherwise deductible)
from the disposition of all eligible capital property during
the taxation year 0 GThe gross amount of a reduction in respect of a forgiven debt
obligation as provided for in subsection 80(7) 0 HOther adjustments 0 I(add amounts G, H, and I) 0 x 0.75 = 0 J**Cumulative eligible capital balance (amount F minus amount J)** 12,618 K

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

Current year deduction amount K 12,618 x 7.00% = 223 L

(enter amount L at line 405 of Schedule 1)

Cumulative eligible capital - Closing balance 12,395 MAmount K minus amount L (if negative, enter "0")
=====**Note**

You can claim any amount up to the maximum deduction of 7%. For taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

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

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

Amount from line K above (show as a positive amount)			0	N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988	400	0	1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7)	401	0	2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	402	0	3	
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	408	0	4	
Line 3 minus line 4		0	5	
Total of lines 1, 2, and 5		0	6	
Line T from Schedule 10 of previous taxation years ending after February 27, 2000	409	0	7	
Line 6 minus line 7		0		0 O
Line N minus line O (cannot be negative)				0 P
Amount on line 5 0 x 1/2				0 Q
Line P minus line Q				0 R
Amount on line R 0 x 2/3 *				0 S
Lesser of line N or line O				0 T
Amount to be included in income on line 108 of Schedule 1, line S plus line T For taxation years ending before February 28, 2000, line N - line Q			410	0

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

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

CELLANEOUS PAYMENTS TO RESIDENTS (1998 and later taxation years)

- This schedule must be completed by all corporations who made the following payments to residents of Canada:
royalties for which the corporation has not filed a T5 slip; research and development fees; management fees; technical assistance fees; and similar payments.
- Please enter the name and address of the recipient and the amount of the payment in the applicable column. If several payments of the same type (i.e., management fees) were made to the same person, enter the total amount paid. If similar types of payments have been made, but do not fit into any of the categories, enter these amounts in the column entitled "Similar payments".

Name of recipient	Address of recipient 1 = Address 1 2 = Address 2 3 = City 4 = Province, Country, Postal Code and Zip Code or Foreign Postal Code	Royalties	Research and development fees	Management fees	Technical assistance fees	Similar payments
[100]	[200]	[300]	[400]	[500]	[600]	[700]
1425445 Ontario Limited	C/O City of Kingston 211 Counter Street Kingston ON K7K-6C7	0	0	1,291,728	0	0

**AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS (CCPC's)
 TO ALLOCATE THE BUSINESS LIMIT (1998 and later taxation years)**

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

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

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

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

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

Column 4: Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 can not exceed \$200,000.

Column 5: Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

Column 6: Enter the gross Part I.3 tax of the prior year. This is used for the business limit reduction.

Allocation of business limit

		Year Month Day
Date filed (for departmental use only)	<input type="text" value="025"/>	
		Year
Enter the calendar year to which the agreement applies	<input type="text" value="050"/>	2001
Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below?	<input type="text" value="075"/>	[Y/N] [N]

1	2	3	4	5	6
Names of associated corporations	Business Number of associated corporations	Association code	Business limit allocated (Note 1)	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year (Notes 2 & 3)
100	200	300	400	500	
Kingston Electricity Distribut	866529399RC0001	1	200,000	2001-12-31	0
See attached			0		0
			-----		-----
	Totals (not to exceed \$200,000)		200,000		0
			=====		=====

Note 1:
 Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

Note 2:
Reduction to the business limit under subsection 125(5.1)
 The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction area of the T2 return. The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 of its last taxation year ending in the preceding calendar year.

Note 3:
 If the taxation year of the associated corporation was less than 51 weeks, the amount of gross Part I.3 tax is the unprorated amount before the application of subsection 181.1(2).

1	2	3	4	5	6
Name of associated corporation	Business Number of associated corporation	Asso- ciation code	Business limit allocated (Note)	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year
[100]	[200]	[300]	[400]	[500]	

CITY OF KINGSTON	873300495RC0001	4	0	2001-12-31	0
1425445 Ontario Limited O/A	893404814RC0001	4	0	2001-12-31	0
TOTALS			0		0

Note: Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

Reduction to the business limit under subsection 125(5.1)

The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction are of the T2 return. The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Schedule 23-Supplementary

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

PART 1.3 TAX ON LARGE CORPORATIONS
(1998 and later taxation years)

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part 1.3 tax payable before the deduction for surtax credits.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal "Income Tax Act."
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part 1.3 in respect of its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or in respect of a partnership in which it has an interest.
- No Part 1.3 tax is payable for a taxation year by a corporation that was:
 - 1) a non-resident-owned investment corporation throughout the year;
 - 2) bankrupt [as defined by subsection 128(3)] at the end of the year;
 - 3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
 - 4) exempt from tax under section 149 throughout the year on all of its taxable income;
 - 5) neither resident in Canada nor carried on a business through a permanent establishment in Canada at any time in the year; or
 - 6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including processing incidental to or connected therewith) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" within six months of the end of the taxation year.

Filing date (for departmental use only) Year Month Day

Complete the following areas to determine the amounts needed to calculate Part 1.3 tax. If the corporation was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 5, "Taxable capital employed in Canada - Non-resident corporation."

Part 1 - Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	<input type="text" value="101"/>	0
Capital stock (or members' contributions if incorporated without share capital)	<input type="text" value="103"/>	12,380,619
Retained earnings	<input type="text" value="104"/>	915,407
Contributed surplus	<input type="text" value="105"/>	0
Any other surpluses	<input type="text" value="106"/>	0
Deferred unrealized foreign exchange gains	<input type="text" value="107"/>	0
All loans and advances to the corporation	<input type="text" value="108"/>	12,380,619
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations	<input type="text" value="109"/>	0
Any dividends declared but not paid by the corporation before the end of the year	<input type="text" value="110"/>	0
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	<input type="text" value="111"/>	0

Part 1 - Capital (cont'd)

Proportion of the amount, if any, by which the total of all amounts that would be determined under lines 101, 107, 108, 109, 111 and 112 in respect of 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 (see note below) 112

0		

Subtotal	25,676,645	25,676,645 A
		=====

Deduct the following amounts:

Deferred tax debit balance at the end of the year 121 0
 Any deficit deducted in computing the shareholders' equity 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 124 0

0		0 B

Subtotal	0	0 B
		=====

Capital for the year (amount A minus amount B) (if negative, enter "0") 190 25,676,645

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

- Amounts owing to the member or to corporations that are other members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- Amounts at these lines apply to partnerships in the same way that they apply to corporations.
- The proportion of the total amounts is determined in accordance with 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 2
 A loan or advance to another corporation (other than a financial institution) 402 2,750,000
 A bond, debenture, note, mortgage, 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 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 1.3 [other than by reason of paragraph 181.1(3)(d)] 406 0
 An interest in a partnership 407 0

Investment allowance for the year 490 2,750,002

Note: 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 of the Act (other than by reason of paragraph 181.1(3)(d) of the Act).

Part 3 - Taxable capital

Capital for the year (line 190) 25,676,645 C

Deduct: Investment allowance for the year (line 490) 2,750,002 D

Taxable capital for the taxation year
 (amount C minus amount D) (if negative, enter "0") 500 22,926,643

Part 4 - Taxable capital employed in Canada - Canadian resident corporation

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

Taxable capital for the year (line 500)	22,926,643	X	Taxable income earned in Canada	216,509		Taxable capital employed in Canada	22,926,643
					=		
			Taxable income	216,509			

- 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 5 - Taxable capital employed in Canada - Non-resident corporation

To be completed by a corporation that was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada.

Total of all amounts 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

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

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 in Canada

Total amount of 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 in Canada

Total deductions (add lines 711, 712, and 713) 0 E

Taxable capital employed in Canada

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

Part 6 - Calculation of gross Part I.3 tax

Taxable capital employed in Canada for the year

(line 690 or 790, whichever applies) 22,926,643

Deduct: Capital deduction claimed for the year (enter \$10,000,000 or, for related corporations, the amount allocated on Schedule 36) 3,200,000

Excess of taxable capital employed in Canada over capital deduction 19,726,643

Gross Part I.3 tax: Line 811 19,726,643 x .2250% = 44,385 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F 44,385 x $\frac{\text{Number of days in the year}}{365}$ = 11,187 G

Gross Part I.3 tax (amount F or G, whichever applies) 11,187

Part 7 - Calculation of current year surtax credits

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable. 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 in respect of 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.

Current year surtax credit equals current year Canadian surtax payable.

Canadian surtax payable

For a corporation that was not resident in Canada throughout the year, the lesser of a and b, below:

a) line 600 from the T2 return	0		
b) line 700 from the T2 return	0		0 H

In any other case, the lesser of c and d below:

c) line 600 from the T2 return	2,425	x	line 690 of this schedule 22,926,643	=	2,425		

			22,926,643				
			line 500 of this schedule				
d) line 700 from the T2 return					51,808	2,425	I
Current year surtax credit (amount H or I, whichever applies)					830	2,425	
						=====	

Part 8 - Calculation of Part I.3 tax credit available for carry-forward

Amount on line 830		2,425	
f Part I.3 tax before deducting surtax credits (line 820)		11,187	J

	Net amount	-8,762	K
		=====	

If the amount on line K is "positive," it represents the amount of Part I.3 tax credits that may be carried forward from taxation years prior to 1992 and applied this year to reduce Canadian surtax payable. Refer to Schedule 37 for unused Part I.3 tax credit balance

0 L

If the amount on line K is "negative," it represents the amount of unused surtax credit of other years that may be applied to reduce Part I.3 tax payable in the current year

8,762 M

Part 9 - Calculation of current year unused surtax credit

Amount K (if positive)		0
Less: Part I.3 tax credits claimed		
(carried forward from taxation years prior to 1992 - see amount L above)		0

Current year unused surtax credit (enter this amount on Schedule 37)		850
		0
		=====

Part 10 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820).....			11,187	N
Less the following amounts:				
Current year surtax credit applied				
(the lesser of lines 820 and 830).....	861	2,425		
Unused surtax credit from prior years applied.....	862	0		

Total (cannot exceed amount on line 820)		2,425	2,425	O

Net Part I.3 tax payable (amount N minus amount O)				
Enter this amount at line 704 of the T2 return.....	870		8,762	
			=====	

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

AGREEMENT AMONG RELATED CORPORATIONS - PART 1.3 TAX
 (1998 and later taxation years)

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 among the members of the related group.
- Do not file this agreement if no members of the related group are liable to pay Part 1.3 tax.**

Are any members of the related group liable to pay Part 1.3 tax? [Y/N] [Y]

- In cases where a related corporation has more than one taxation year ending in a calendar year, it is required to file an agreement for each taxation year ending in that calendar year.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation ending 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

	Year Month Day
Date filed (for departmental use only)	<input type="text" value="010"/>
Is this an amended agreement?	<input type="text" value="020"/> [Y/N] [N]
Enter the calendar year to which the agreement applies	<input type="text" value="030"/> Year 2001

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member which is exempt from Part 1.3 tax under subsection 181.1(3) is not required to be included.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year \$	Taxation year end to which this agreement applies (Note 2)
<input type="text" value="200"/>	<input type="text" value="300"/>	<input type="text" value="400"/>	<input type="text" value="500"/>
Kingston Electricity Distribut	866529399RC0001	3,200,000	2001-12-31
See attached		6,800,000	

Total (not to exceed \$10,000,000)		10,000,000	
		=====	

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

Note 2: An entry is only required 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.

Kingston Electricity Distribution Limited
Account/Business No.: 866529399RC0001 Year Ended:
AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

Sch. 036-Supp.
2001-12-31

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 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]
CITY OF KINGSTON	873300495RC0001	0	2001-12-31
1425445 Ontario Limited O/A	893404814RC0001	6,800,000	2001-12-31
TOTAL		6,800,000	

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

Note 2: An entry is only required for a corporation that has more than one taxation 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.

Schedule 36 - Supplementary

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

REHOLDER INFORMATION
 (1998 and later taxation years)

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 (note 1)	Social Insurance Number (note 2)	Percentage common shares	Percentage preferred shares
City of Kingston	873300495RC0001		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 "SB" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.