

Notice of Reassessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 to 2002/12/31

	Account No.	Reassessment Date (year, month, day)	Page
KINGSTON ELECTRICITY DISTRIBUTION LIMITED	1800263	2003/11/21	1 of 1

REASSESSMENT NO. 32 REPLACING ASSESSMENT DATED: 2003/07/18

Tax: Federal and Provincial PIL	189,847.00
Assessment Interest	<u>2,151.80CR</u>
Total Reassessment Liability	187,695.20

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	264,000.00CR	
Refunds	69,306.68	
Sub-Total		194,693.32CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		<u>6,998.12CR</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.

As per amended return.

Mathematical error in computation of Net Paid-up Capital.

Adjustment to eligible investments - shares in other corporations

Mathematical error in computation of Taxable Paid-up Capital.

apud. [signature] 27/11/03
Tax \$ 6,750 WKEDL 780590 001 6910000 79800-

interest \$ 248.12



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

Original mailed Nov. 7/03

KINGSTON ELECTRICITY DISTRIBUTION LIMITED

211 Counter Street PO Box 790
Kingston ON Canada K7L4X7
Telephone: 613 546-1181
Fax: 613 542-1463

November 6, 2003

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

Attention: Sharon O'Sullivan

RE: Kingston Electricity Distribution Limited – Account number 1800263

Dear Ms. O'Sullivan:

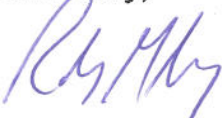
We are writing to request an amendment to the 2002 Federal and Provincial PIL tax return of the above-noted company.

The request is due to the fact that the Federal Schedule 033 did not recognize an eligible investment in the amount of \$3,000,000. The \$3,000,000 investment is a note receivable from the Company's subsidiary, 1425445 Ontario Limited. Please note that this amount was included in the paid up capital of 1425445 Ontario Limited as a note payable.

Based on the above facts, we enclose an amended Federal Schedule 033 and ask you to reassess the 2002 Federal and Provincial PIL. In addition, we ask you to forward the refund cheque directly to us.

Thank you for your cooperation in this matter. If you have any questions, please contact the undersigned at 613-546-1181 ext. 2317.

Yours truly,



Randy Murphy, CA
Manager of Finance

Encl.

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

PART 1.3 TAX ON LARGE CORPORATIONS
98 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) 100 Year Month Day

Select 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 1.	101	0
Capital stock (or members' contributions if incorporated without share capital).	103	12,380,619
Retained earnings.	104	1,630,990
Contributed surplus.	105	0
Any other surpluses.	106	0
Deferred unrealized foreign exchange gains.	107	0
All loans and advances to the corporation.	108	18,321,415
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations.	109	0
Any dividends declared but not paid by the corporation before the end of the year.	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.	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)
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 32,333,024 32,333,024 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

Subtotal 0 0 B

Capital for the year (amount A minus amount B) (if negative, enter "0") 190 32,333,024

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 0

A loan or advance to another corporation (other than a financial institution) 402 3,000,000

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 I.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 3,000,000

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) 32,333,024 C

Deduct: Investment allowance for the year (line 490) 3,000,000 D

Taxable capital for the taxation year

(amount C minus amount D) (if negative, enter "0") 500 29,333,024

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.

able capital for the year (line 500)	29,333,024	X	Taxable income earned in Canada	610	1,000		Taxable capital employed in Canada	690	29,333,024
			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 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. 701

Deduct the following amounts:

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

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

Total amount of carrying value at the end of year of an asset of the corporation
 (1) 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 713

Total deductions (add lines 711, 712, and 713)	0	0	E
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Taxable capital employed in Canada
(line 701 minus amount E) (if negative, enter "0") **790**

Part 6 - Calculation of gross Part 1.3 tax

Taxable capital employed in Canada for the year (line 690 or 790, whichever applies)	29,333.024
---	------------

Deduct: Capital deduction claimed for the year (enter \$10,000,000 or, for related corporations, the amount allocated on Schedule 36)	801	868.995
--	-----	---------

Excess of taxable capital employed in Canada over capital deduction	811	28,464,029
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Gross Part I.3 tax:	Line 811	28,464,029	x	.2250%	=	64,044	F
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Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F	64,044	x	Number of days in the year 365	=	0	G

			365			

Gross Part I.3 tax (amount F or G, whichever applies) 820 64,044

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.

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 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 H

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

- c) line 600 from the T2 return 0 x line 690 of this schedule
29,333,024 = 0
- d) line 700 from the T2 return 0 I

Current year surtax credit (amount H or I, whichever applies) 830 0

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

- Amount on line 830 0
- Less: Part I.3 tax before deducting surtax credits (line 820) 64,044 J
- Net amount -64,044 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 64,044 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 1.3 tax payable

Gross Part 1.3 tax (line 820)		64,044	N
Reduct the following amounts:			
urrent year surtax credit applied			
(the lesser of lines 820 and 830)	861	0	
Unused surtax credit from prior years applied	862	0	

Total (cannot exceed amount on line 820)		0	0 O

Net Part 1.3 tax payable (amount N minus amount O)			
Enter this amount at line 704 of the T2 return	870	64,044	
		=====	



Ontario

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

2002

CT23 Corporations Tax and Annual Return

For taxation years commencing after May 1, 2000
Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. It 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 3-18, together with the applicable schedules on pages 19-22. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return (see page 2).

The Annual Return (common page 1 and MCBS Schedules A or K on pages 23 and 24) contains non-tax information collected under the authority of the Corporations Information Act for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required?

(Not required if already filed or
Annual Return exempt, Refer to Guide)

☒ Yes ☐ No

Page 1 of 24

Ministry Use
CLIENT'S COPY

Corporation's Legal Name (including punctuation) and Mailing Address

Kingston Electricity Distribution Limited

R.K. McConnachie

Utilities Kingston

211 COUNTER STREET

KINGSTON

ON CA K7L-4X7

Has the mailing address changed
since last filed CT23 Return? Yes ☐

Date of Change

year month day

Registered/Head Office Address

CITY OF KINGSTON

211 COUNTER STREET

KINGSTON

ON CA K7K-6C7

Location of Books and Records

Y OF KINGSTON

211 COUNTER STREET

KINGSTON

ON CA K7K-6C7

Name of person to contact regarding this CT23 Return

Telephone No.

Fax No.

R. K. McConnachie

613-546-1181

613-542-1463

Address of Principal Office in Ontario (Extra-Provincial Corporations only)

(MCBS)

ON CA -

Former Corporation Name (Extra-Provincial Corporations only)

(Not Applicable)

☒

(MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS
Schedule A or K as appropriate. If additional space is required for Schedule A,
only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s)

0

If there is no change to the Directors/Officers/Administrators' information previously
submitted to MCBS, please ☒ this box. Schedule(s) A and K are not required (MCBS).

☒ No
change

Ontario Corporations Tax Account No. (MOF)

1800263

This CT23 Return covers the Taxation Year

Start

year month day

2002-01-01

End

year month day

2002-12-31

Date of Incorporation or Amalgamation

year month day

2000-09-19

Ontario
Corporation No.
(MCBS)

1425446

Canada Customs and Revenue Agency
(formerly Revenue Canada) Business No.

If applicable, enter

866529399RC0001

Jurisdiction
Incorporated

ONTARIO

If not incorporated in Ontario, indicate the
date Ontario business activity commenced
and ceased:

Commenced

year month day

Ceased

year month day

(Not Applicable)

☒

Preferred Language/Langue de préférence

English
anglais

☒ French
français

☐

Ministry use



Certification (MCBS)

I certify that all information set out in the Annual Return is true, correct and complete.

Signature of Authorized Person (Print clearly or type in full)

Nancy Taylor

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

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

Kingston Electricity Distribution Limited

1800263

2002-12-31

CT23 Corporations Tax Return

Notification continued (for CT23 filers only)

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

1 ☒ Canadian-controlled Private (CCPC) all year
(Generally a private corporation of which
50% or more shares are owned by
Canadian residents.) (fed.s.125(7)(b))

2 ☐ Other Private

3 ☐ Public

4 ☐ Non-share Capital

5 ☐ Other (specify)

Share Capital with full voting rights
owned by Canadian Residents

(nearest percent)

100%

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

if applicable, enter

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

if applicable, enter

Specify major business activity

- 2 ☐ 1 ☐ Family Farm Corporation s.1 (2)
- 2 ☐ Family Fishing Corporation s.1 (2)
- 3 ☐ Mortgage Investment Corporation s.47
- 4 ☐ Credit Union s.51
- 5 ☐ Bank Mortgage Subsidiary s.61 (4)
- 6 ☐ Bank s.1 (2)
- 7 ☐ Loan and Trust Corporation s.61 (4)
- 8 ☐ Non-resident Corporation
s.2(2)(a) or (b)
- 9 ☐ Non-resident Corporation s.2(2)(c)
- 10 ☐ Mutual Fund Corporation s.48
- 11 ☐ Non-resident owned investment
Corporation s.49
- 12 ☐ Non-resident ship or aircraft under reciprocal
agreement with Canada s.28(b)

- 14 ☐ Bare Trustee Corporation
- 15 ☐ Branch of Non-residents s.63(1)
- 16 ☐ Financial institution prescribed by
Regulation only
- 17 ☐ Investment Dealer
- 18 ☐ Generator of electrical energy for sale or
producer of steam for use in the generation
of electrical energy for sale
- 19 ☐ Hydro successor, Municipal Electrical Utility
or subsidiary of either
- 20 ☐ Producer and seller of steam for uses other
than for the generation of electricity
- 21 ☐ Insurance Exchange s.74.4
- 22 ☐ Farm Feeder Finance Co-operative Corporation
- 23 ☐ Professional Corporation
(incorporated professionals only)

Please "X" box(es) if applicable:

☐ First Year of Filing

☐ Amended Return

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

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

☐ Final Taxation Year before Amalgamation

☐ Floating Fiscal Year End

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

☐ Acquisition of Control fed s.249(4)

Date Control was acquired

year month day

Was the corporation inactive throughout the taxation year?

Yes No
☐ ☒

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

☒ ☐

Are you requesting a refund due to: the Carry-back of a Loss?

☐ ☒

an Overpayment?

☒ ☐

a Specified Refundable Tax Credit?

☐ ☒

Are you a Member of a Partnership or Joint Venture?

☐ ☒

Income Tax

Allocation - If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Inter. Bulletin 2617). Attach a schedule (or a copy of federal T2 SCH 5) showing allocation of gross revenue, salaries and wages, including applicable percentages.

Income (loss) for Ontario purposes (per reconciliation schedule, page 16)	±	From	690	380,026.
Charitable donations	-		1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule)	-		2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3	-		3	0.
Subtract: Ontario political contributions (Attach schedule)	-		4	0.
Subtract: Federal Part VI.1 tax	0. X 9/4		5	0.
Subtract: Prior years' losses applied -		From	704	0.
Non-capital losses				
Net capital losses	From 715 (page 17) 0. X inclusion rate 50.000000% =		714	0.
Farm losses		From	724	0.
Restricted farm losses		From	734	0.
Limited partnership losses		From	754	0.
Taxable income (Non-capital loss)			10	380,026.
Addition to taxable income for unused foreign tax deduction for federal purposes	+ 11 0.			
Adjusted Taxable Income	10 + 11 (if 10 is negative, enter 11)	=	20	380,026.

Taxable Income

From 10 (or 20 if applicable)	380,026. X 30 100.0000 % X 15.5000 %	22 0 + 73 365	= + 23 0.
Ontario Allocation			
From 10 (or 20 if applicable)	380,026. X 30 100.0000 % X 14.5000 %	24 0 + 73 365	= + 25 0.
Ontario Allocation			
From 10 (or 20 if applicable)	380,026. X 30 100.0000 % X 14.0000 %	26 0 + 73 365	= + 27 0.
Ontario Allocation			
From 10 (or 20 if applicable)	380,026. X 30 100.0000 % X 12.5000 %	28 365 + 73 365	= + 29 47,503.
Ontario Allocation			
From 10 (or 20 if applicable)	380,026. X 30 100.0000 % X 12.5000 %	31 0 + 73 365	= + 32 0.
Ontario Allocation			
Income Tax Payable (before deduction of tax credits)	23 + 25 + 27 + 29 + 32	=	40 47,503.

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.
	=	0.
Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding \$ 200,000) (Attach federal T2 SCH 23 if associated)	+ 55	200,000.

Add: Ontario enhancement of federal business limit

Number of Days in Taxation Year			
40,000 X	Days after Dec 31, 2000 and before Oct 1, 2001	Total Days	
	0 + 73	365	
X From 55	200,000 + 200,000	=	42 0.
80,000 X	Days after Sept 30, 2001 and before Jan 1, 2003	Total Days	
	365 + 73	365	
X From 55	200,000 + 200,000	=	43 80,000.
120,000 X	Days after Dec 31, 2002 and before Jan 1, 2004	Total Days	
	0 + 73	365	
X From 55	200,000 + 200,000	=	46 0.
Ontario enhancement of federal business limit	42 + 43 + 46	=	80,000.
Business Limit for Ontario purposes	55 + 44	=	280,000.
Income eligible for the IDSBC	From 30 100.0000 % X 56	=	60 0.

* Note: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).
continued on Page 5

Kingston Electricity Distribution Limited

1800263

2002-12-31

DOLLARS ONLY

Income Tax continued from Page 4

Calculation of IDSBC Rate

		Number of Days in Taxation Year			
		Days after Dec 31, 1998 and before Jan 1, 2000	Total Days		
.....	7.00 %	74	0 + 73 365	= +	75 .0000.
.....	7.50 %	76	0 + 73 365	= +	77 .0000.
.....	6.50 %	28	365 + 73 365	= +	79 6.5000.
.....	7.00 %	31	0 + 73 365	= +	89 .0000.
IDSBC Rate for Taxation Year		75	+ 77 + 79 + 89	=	78 6.5000.
Claim	From 60 0. x From 78 6.5000 %			=	70 0.

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

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

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

**** Short Taxation Years** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.**Associated Corporation** - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.**** Taxable Income of the corporation** From 10 (or 20 if applicable) + 80 380,026.If you are a member of an associated group (X) 81 ☒ (Yes)Name of associated corporation (Canadian & foreign)
(if insufficient space, attach schedule)Ontario Corporations Tax
Account No. (MOF)
(if applicable)

Taxation Year End

Taxable Income
(if loss, enter nil)

See attached

		+ 82	0.
		+ 83	.
		+ 84	.
Aggregate Taxable Income	80 + 82 + 83 + 84, etc.	= 85	380,026.

		Number of Days in Taxation Year			
		Days before Jan 1, 2001	Total Days		
Subtract: 200,000	x	558	0 + 73 365	= +	111 0.
240,000	x	26	0 + 73 365	= +	112 0.
280,000	x	28	365 + 73 365	= +	113 280,000.
320,000	x	31	0 + 73 365	= +	115 0.
		111 + 112 + 113 + 115	=	280,000.	- 114 280,000.
(If negative, enter nil)				=	86 100,026.

		Number of Days in Taxation Year			
		Days after Dec 31, 1998 and before Jan 1, 2000	Total Days		
Calculation of Specified Rate for Surtax	4.67 %	74	0 + 73 365	= +	92 .0000
.....	5.00 %	76	0 + 73 365	= +	93 .0000
.....	4.3330 %	28	365 + 73 365	= +	95 4.3330
.....	4.6670 %	31	0 + 73 365	= +	96 .0000
Specified rate of surtax for Taxation Year		92 + 93 + 95 + 96	=	94 4.3330	
From 86 100,026. x From 94 4.3330 %				=	87 4,334.
From 87 4,334. x From 60 0. + From 114 280,000.				=	88 0.
Surtax Lesser of 70 or 88				=	100 0

Continued on Page 6

Kingston Electricity Distribution Limited

1800263

2002-12-31

DOLLARS ONLY

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

110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)**Applies** to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of the federal T2 SCH 27 including necessary changes for Ontario tax purposes (e.g. different C.C.A. claimed).

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

Eligible Canadian Profits	+	120	0.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	-	From 56	0.
Add: Adjustment for Surtax on Canadian-controlled private corporations			
From 100 0. + From 30 100.0000 % + From 78 6.5000 % = 121 0.			
Lesser of 56 or 121	+	122	0.
120 - 56 + 122	=	130	0.
Taxable Income	+	From 10	380,026.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	-	From 56	0.
Add: Adjustments for Surtax on Canadian-controlled private corporations	+	From 122	0.
Subtract: Taxable Income From 10 380,026. 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	380,026.

Number of Days in Taxation Year

Claim									
143 0. X From 30 100.0000 % X 2.0000 % X	Days before Oct 1, 2001	Total Days	152 0 + 73 365	= + 153	0.				
Lesser of 130 or 142									
143 0. X From 30 100.0000 % X 1.5000 % X	Days after Sept 30, 2001 and before Jan 1, 2003	Total Days	28 0 + 73 365	= + 154	0.				
Lesser of 130 or 142									
143 0. X From 30 100.0000 % X 1.5000 % X	Days after Dec 31, 2002 and before Jan 1, 2004	Total Days	31 0 + 73 365	= + 155	0.				
Lesser of 130 or 142									
M&P claim for taxation year 153 + 154 + 155				=	160	0.			

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

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161 0.**Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity** = 162 0.**Credit for Foreign Taxes Paid (s.40)****Applies** if you paid tax to a jurisdiction outside Canada on foreign investment income (Info. Bulletins 15-79 & 2739) (Attach schedule).

170 0.

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

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 = 190 47,503.*continued on Page 7*

Income Tax continued from Page 6

Specified Tax Credits (Refer to Guide)

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

Eligible Credit From **5620** OITC Claim Form (Attach original Claim Form) + **191** 0.

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

Eligible Credit From **5798** Summary Schedule F + **192** 0.

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

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

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

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

Applies to employment of eligible unemployed graduate students.

No. of Graduates From **6596**
Eligible Credit From **6598** Summary Schedule G + **195** 0.

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

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

Eligible Credit From **6900** OBPTC Claim Form (Attach only the original Claim Form. Retain the Certification Form) + **196** 0.

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

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

Eligible Credit From **6700** Claim Form Certified by Ontario Film Development Corporation
(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.) + **197** 0.

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

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

Eligible Credit From **7100** OBRITC Claim Form (Attach original Claim Form) + **198** 0.

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

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

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

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

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

Eligible Credit From **7400** Claim Form certified by Ontario Film Development Corporation
(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.) + **200** 0.

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

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

Eligible Credit From **7500** OSRTC Claim Form (Attach only the original Claim Form. Retain the Certification Form) + **201** 0.

Other (specify) + **201.1** 0.

Total Specified Tax Credits **191** + **192** + **193** + **195** + **196** + **197** + **198** + **199** + **200** + **201** + 201.1 = **220** 0.

Specified Tax Credits Applied to reduce Income Tax = **225** 0.

Income Tax **190** - **225** OR Enter NIL if reporting Non-Capital Loss = **230** 47,503.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8**. If CMT is not applicable, transfer amount in **230** to Income Tax in **Summary** section on **Page 18**.

OR

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

Corporate Minimum Tax (CMT)

Determination of Applicability

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

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

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

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

* Total Assets of the corporation + [240] 41,405,114.
* Total Revenue of the corporation + [241] 62,457,724.

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] 9,768,373.	+ [244] 43,339,304.
			+ [245]	+ [246]
			+ [247]	+ [248]
Aggregate Total Assets	[240] + [243] + [245] + [247], etc.		= [249] 51,173,487.	
Aggregate Total Revenue	[241] + [244] + [246] + [248], etc.			= [250] 105,797,028.

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

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

Gross CMT Payable CMT Base From [2135] 1,187,583. X From [30] 100.0000% X 4% = [276] 47,503.
If negative, enter zero Ontario Allocation

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

Subtract: Income Tax - From [190] 47,503.

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

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from Page 7 to **Income tax Summary, on Page 18.**

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

If [280] is greater than or equal to zero, transfer [230] to Page 18 and transfer [280] to Page 18, and to **Schedule D: Continuity of CMT Credit Carryovers, on Page 21.**

CMT Credit Carryover available From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) + From [190] 47,503.
Gross CMT Payable + From [276] 47,503.
Subtract: Foreign Tax Credit for CMT purposes - From [277] 0.
If [276] - [277] is negative, enter NIL in [290] = 47,503. - [290] 47,503.
Income Tax eligible for CMT Credit = [300] 0.

B. Income tax (after deduction of specified credits) + From [230] 47,503.
Subtract: CMT credit used to reduce income taxes - [310] 0.
Income Tax = [320] 47,503.

Transfer to page 18

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

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

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Capital Tax (Refer to Guide)

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

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in [480] and [430] are both \$1,000,000 or less and the taxation year ends on or after January 1, 2000, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in [480] and [430] are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, it is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in [550] on Page 13 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

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

must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.B.15-79, Int.B.L-12 and Int.B.L-16)

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

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

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

Paid-up Capital

Paid-up capital stock	+ [350]	12,380,619.
Retained earnings (if deficit, deduct)	+ [351]	1,630,990.
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	+ [352]	0.
Loans and advances (Attach schedule)	+ [353]	13,388,151.
Bank loans	+ [354]	5,000,000.
Bankers acceptances	+ [355]	0.
Bonds and debentures payable	+ [356]	0.
Mortgages payable	+ [357]	0.
Notes payable	+ [358]	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax)	+ [359]	0.
Contingent, investment, inventory and similar reserves	+ [360]	0.
Other reserves not allowed as deductions for income tax purposes (Attach schedule)	+ [361]	0.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s))	+ [362]	0.
Subtotal	= [370]	32,399,760.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.)	- [371]	227,576.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	- [372]	0.
Total Paid-up Capital	= [380]	32,172,184.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	- [381]	0.
Net Paid-up Capital	= [390]	32,172,184.

Eligible Investments (Refer to Guide)

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

Term deposits and investment certificates in foreign financial institutions for taxation years ending prior to December 15, 1999 (Refer to Guide)	+ [400]	0.
Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ [402]	0.
Mortgages due from other corporations	+ [403]	0.
Shares in other corporations (certain restrictions apply) (Refer to Guide)	+ [404]	2.
Loans and advances to unrelated corporations	+ [405]	0.
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	+ [406]	3,000,000.
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	+ [407]	0.
Total Eligible Investments	= [410]	3,000,002.

continued on Page 10

Capital Tax *continued from Page 9*
Total Assets

Assets per balance sheet	+ 420	41,405,114.
Mortgages or other liabilities deducted from assets	+ 421	0.
Share of partnership(s)/joint venture(s) total assets (<i>Attach schedule</i>)	+ 422	0.
Subtract: Investment in partnership(s)/joint venture(s)	- 423	0.
Total Assets as adjusted	= 430	41,405,114.
Amounts in 360 and 361 (if deducted from assets)	+ 440	0.
Subtract: Amounts in 371, 372 and 381	- 441	227,576.
Subtract: Appraisal surplus if booked	- 442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	± 443	0.
Total Assets	= 450	41,177,538.

Investment Allowance $(410 + 450) \times 390$	Not to exceed 410	= 460	2,343,914.
Taxable Capital 390 - 460		= 470	29,828,270.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	62,457,724.
Total Assets (as adjusted)	From 430	41,405,114.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2002) of the CT23 may only be used for a taxation year that commenced on or after May 5, 1999.

(Financial Institutions use calculations on page 14.)

- Important:** If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.
- OR** If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B and select and complete the one specific subsection (e.g. B4) that applies to the corporation.
- OR** If the corporation IS a member of an associated group and/or partnership, complete Section C. Next review, and if applicable, complete Section D. If Section D is not applicable review Section E and complete the applicable subsection: either E1 or E2. Note: if the corporation is a member of a connected partnership, please refer to the guide for additional instructions before completing the capital tax section.

SECTION A

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

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

SECTION B

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

- B1.** If the taxation year end is before January 1, 2001 and 430 and 480 are both \$1,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.
- B2.** If the taxation year end is after December 31, 2000 and 430 and 480 are both \$1,500,000 or less, enter NIL in 550 on page 13 and complete the return from that point.
- B3.** If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.
- B4.** If taxable capital, 470 on page 10 is \$2,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

continued on Page 11

Capital Tax Calculation *continued from page 11*

SECTION C

If the corporation is a member of an associated group and/or partnership, complete the following two aggregate taxable capital calculations as applicable, and (x) ☐ 510 ☒ (Yes)

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

Taxable Capital of the corporation + From ☐ 470 29,828,270.

Calculation 1

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

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

See attached

Aggregate Taxable Capital ☐ 470 + ☐ 531 = ☐ 540 40,003,852.

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

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

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

From ☐ 470 29,828,270. + From ☐ 540 40,003,852. x 5,000,000 = ☐ 541 3,728,175.
Transfer to Section E2(b)

Calculation 2

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

Names of Canadian & Foreign associated corporations or related partners having no permanent establishment in Canada

Total Aggregate Taxable Capital ☐ 540 + ☐ 514 = ☐ 520 40,003,852.

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

From ☐ 470 29,828,270. + From ☐ 520 0. = ☐ 521 .0000.
Transfer to Section E1(a) and/or (b) and/or (c) as applicable

SECTION D

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

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

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Capital Tax Calculation *continued from Page 12*

SECTION E

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

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

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

(a) From [470] 0. x .3000% = + [490] 0.

Deduct: From [520] 0.

\$2,400,000 - 0. x 1.5% x From [521] .0000 = - [492] 0.

([504] = [490] - [492]) = [504] 0. x 100.0000% x 0 = + [505] 0.

Ontario Allocation ** 365 (366 if leap year)

If 2,400,000 - [520] is negative, enter NIL in [492]

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

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

(b) From [470] 0. x .3000% = + [490] 0.

Deduct: From [520] 0.

\$2,800,000 - 0. x 0.75% x From [521] .0000 = - [493] 0.

([506] = [490] - [493]) = [506] 0. x 100.0000% x 0 = + [507] 0.

Ontario Allocation ** 365 (366 if leap year)

If 2,800,000 - [520] is negative, enter NIL in [493]

Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 [553]

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

(c) From [470] 0. x .3000% = + [490] 0.

Deduct: From [520] 0.

\$3,200,000 - 0. x 0.5% x From [521] .0000 = - [495] 0.

([509] = [490] - [495]) = [509] 0. x 100.0000% x 0 = + [522] 0.

Ontario Allocation ** 365 (366 if leap year)

If 3,200,000 - [520] is negative, enter NIL in [495]

Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 [557]

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

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

Total Capital Tax for the taxation year [505] + [507] + [522] + [523] = [508] 0.

Transfer to [543] and complete the return from that point.

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

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

(a) From [470] 29,828,270. x From [30] 100.0000% x .3000% x 0 = + [502] 0.

Ontario Allocation ** 365 (366 if leap year)

Days in taxation year before Oct 1, 2001 [555]

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

(b) From [470] 29,828,270.

From [541] (section C) - 3,728,175.

= [471] 26,100,095. x From [30] 100.0000% x .3000% x 365 = + [523] 78,300.

Ontario Allocation ** 365 (366 if leap year)

Days in taxation year after Sept 30, 2001 [560]

Total Capital Tax for the taxation year [502] + [523] = [508] 78,300.

** If floating taxation year, refer to Guide. Transfer to [543] and complete the return from that point.

Capital Tax before application of specified credits = [543] 78,300.

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

Capital Tax [543] - [546] = [550] 78,300.

continued on Page 14

Transfer to Page 18

Capital Tax continued from page 13

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing after May 4, 1999 enter NIL in **550** on page 13, and complete the return from that point.

I.2. Other than Credit Unions

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

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

$$\begin{aligned} & \text{570 } 0. \times \text{571 } 0.00\% \times \text{From } 30 \text{ Ontario Allocation} \times \frac{\text{Days in taxation year}}{366 \text{ (if leap year)}} = \text{574 } 0. \\ & \text{Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount} \end{aligned}$$

Capital Tax for Financial Institutions – other than Credit Unions (before Sections II) **569** + **574** = **575** 0.

** If floating taxation year, refer to Guide.

Small Business Investment Tax Credit

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

Allowable Credit for Eligible Investments = **585** 0.

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

Capital Tax – Financial Institutions **575** – **585** = **586** 0.
Transfer to **543** on Page 13

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

(1) Uninsured Benefits Arrangements **587** 0. X 2% = **588** 0.
Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide) = **589** 0.

Premium Tax **588** – **589** = **590** 0.
Transfer to page 18

Kingston Electricity Distribution Limite

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

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

+ 600 0.

Transfer to page 16

Add:

Federal capital cost allowance	+ 601	2,436,058.
Federal cumulative eligible capital deduction	+ 602	868.
Ontario taxable capital gain	+ 603	0.
Federal non allowable reserves. Balance beginning of year	+ 604	817,974.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	850,783.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.
Management fees, rents, royalties and similar payments to non-arm's length non-residents		

611	365	= + 630	0.
612	365	= + 631	0.
612	65	= + 632	0.
612	65	= + 633	0.
612	65	= + 634	0.
T	634	=	0.
M		+ 613	0.

Federal allowable business investment loss + 620 0.

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

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

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

= 0. + 615 0.

Subtotal of Additions 601 to 611 + 613 + 620 + 614 + 615 = 4,105,683. 640 4,105,683.

Transfer to page 16

continued on Page 16

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

Continued from Page 15

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 From + 600 0.

Subtotal of Additions	From	+	640	4,105,683.
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Deduct:

Ontario capital cost allowance	+ 650	2,056,032.
Ontario cumulative eligible capital deduction	+ 651	868.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	817,974.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	850,783.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario research and development super allowance (Attach schedule)	+ 660	0.
Government Assistance relating to provincial deductions for scientific research and experimental development added back for federal income tax purposes as a result of the Federal 2000 Budget	+ 674	0.
Ontario current cost adjustment (Attach schedule)	+ 661	0.

Ontario New Technology Tax Incentive (ONTTI) Gross-up

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

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

ONTTI Gross-up deduction calculation:

From 2 Gross-up of CCA 0. x 100
From 30 .0000 - From 662 0. = 663 0.
Ontario Allocation

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

Qualifying expenditures: $\left[\frac{665}{0} \times 30.00\% \times \frac{100}{100.0000} \right] = \frac{666}{0}$

From 30 Ontario Allocation

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

Qualifying expenditures: $\boxed{667} \times 0. \times 100.00\% \times \boxed{100} = \boxed{668} \times 0. \times 100.00\%$

From $\boxed{30} \times \boxed{100.0000}$

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: $\boxed{670} \times 0.30 = \boxed{201} \times 30.00\% = \boxed{60.30}$

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

Qualifying expenditures: $\boxed{672} \times 0.15 \times \frac{100}{100.0000} = \boxed{673}$

Ontario allowable business investment loss + 678 _____ 0.

Ontario Scientific Research Expenses claimed in the year from Ontario form CT161	...	679	0.
--	-----	-----	----

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

Subtotal of Deductions

$$\boxed{650} \text{ to } \boxed{660} + \boxed{674} + \boxed{661} + \boxed{663} + \boxed{666} + \boxed{668} + \boxed{671} + \boxed{673} + \boxed{678} + \boxed{679} + \boxed{664} \dots\dots\dots = \underline{\hspace{1cm} 3,725,657. \hspace{1cm} \boxed{680} \hspace{1cm} 3,725,657}$$

Net income (loss) for Ontario Purposes 600 + 640 - 680 = 690 380,026.

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2)	710 (2)	720 (2)	730	740	750
	0	0	0	0	0	0
Add:	701	711	721	731	741	751
Current year's losses (7)	0	0	0	0	0	0
Losses from predecessor corporations (3)	702	712	722	732		752
	0	0	0	0		0
Subtotal	703	713	723	733	743	753
	0	0	0	0	0	0
Subtract:	704	715 (4)	724	734 (4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	0	0	0	0	0	0
Expired during the year	705		725	735	745	
	0		0	0	0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 18	716 (2) to Page 18	726 (2) to Page 18	736 (2) to Page 18	746	
	0	0	0	0	0	
Subtotal	707	717	727	737	747	757
	0	0	0	0	0	0
Balance at End of Year	709 (8)	719	729	739	749	759
	0	0	0	0	0	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.
To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

- (7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) In the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 1994-09-30				850	870
				0	0
801 1995-09-30				851	871
				0	0
802 1996-09-30				852	872
				0	0
803 1997-09-30	820	830	840	853	873
	0	0	0	0	0
804 1998-09-30	821	831	841	854	874
	0	0	0	0	0
805 1999-09-30	822	832	842	855	875
	0	0	0	0	0
806 2000-09-30	823	833	843	856	876
	0	0	0	0	0
807 2001-09-30	824	834	844	857	877
	0	0	0	0	0
808 2001-12-31	825	835	845	858	878
	0	0	0	0	0
809 2002-12-31	826	836	846	859	879
	0	0	0	0	0
Total	829	839	849	869	889
	0	0	0	0	0

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
Total amount of loss	910 0	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF)				
Taxation Year Ending year month day				
i) 3rd preceding 901	911 0	921 0	931 0	941 0
ii) 2nd preceding 902	912 0	922 0	932 0	942 0
iii) 1st preceding 903	913 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 0	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320	47,503.
Corporate Minimum Tax	+ From 280	0.
Capital Tax	+ From 550	78,300.
Premium Tax	+ From 590	0.
Total Tax Payable	= 950	125,803.
Subtract: Payments	- 960	264,000.
Capital Gains Refund (s.48)	- 965	0.
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- 985	0.
Specified Tax Credits (Refer to Guide)	- 955	0.
Other (specify)	-	0.
Balance	= 970	-138,197.
If payment due	Enclosed * 990	0.
If overpayment: Refund (Refer to Guide)	.. = 975	138,197.
Apply to year month day	980	0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **MINISTER OF FINANCE** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order.

Certification

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

Name (please print)

Nancy Taylor

Title

Secretary

Full Residence Address

Signature

Date

2003-06-30

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

Attached Sch.
2002-12-31

Depreciation 2001*	1,307,143.00
Depreciation 2002	1,407,252.00
CCA excluding Transitional Costs 2001	-175,963.00
2002	-1,595,033.00
Adjustment for 9months Tax dep started Oct 1*	-980,357.00
	0.00
Premarket Opening variance	-178,255.00
Post Market Opening Variance	64,825.00
Amortization of Financing fees	-16,633.00
Deductible transition Costs	-60,555.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	=====
	-227,576.00

City of Kingston		12,380,619.00
Employee Benefits		940,796.00
Deposits		66,736.00
A/P > 120 days		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
		0.00
		0.00
Total	=====	13,388,151.00

Kingston Electricity Distribution Limited

1800263

2002-12-31

DOLLARS ONLY

Corporate Minimum Tax - Schedule A: Calculation of CMT Base



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

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ± 2100 765,583.

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

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

Subtotal = 2109 0.

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

Provision for current taxes	+	2110	422,000.
Provision for deferred income taxes (debits)	+	2111	0.
Equity losses from corporations	+	2112	0.
Share of partnership(s)/joint venture(s) losses	+	2113	0.

Dividends that have been deducted to arrive at net income per Financial Statements.

Applies to dividends that have been declared and paid after May 5, 1997.s.57.4(1.1) (excluding dividends under fed.s.137(4.1))

0.

Subtotal = 422,000. + 2115 422,000.

Add/Subtract:

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

** Fed.s.85	+	2116	0.	or -	2117	0.
** Fed.s.85.1	+	2118	0.	or -	2119	0.
** Fed.s.97	+	2120	0.	or -	2121	0.

** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years + 2122 0. or - 2123 0.

** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years + 2124 0. or - 2125 0.

** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years + 2126 0. or - 2127 0.

Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income - 2150 0.

Subtotal (Additions) = 0. + 2128 0.

Subtotal (Subtractions) = 0. - 2129 0.

** Other adjustments ± 2130 0.

Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130 = 2131 1,187,583.

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

Adjusted net income (loss) (if loss, transfer to 2202 in Schedule B: Continuity of CMT Losses Carried Forward, Page 20.) = 2133 1,187,583.

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

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

= 0. - 2134 0.

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

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

CMT Base = 2135 1,187,583.

Transfer to CMT Base on Page 8

Corporate Minimum Tax (CMT)



DOLLARS ONLY

Schedule B: Continuity of CMT Losses Carried Forward

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

Notes:

- (1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.
- (2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and 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 2133 and CMT losses available 2209.
- (5) Amount in 2214 must equal sum of 2270 + 2290.

Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

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

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	2001-12-31	2260 0	2280 0
2241	2002-12-31	2261 0	2281 0
2242		2262 0	2282 0
2243		2263 0	2283 0
2244		2264 0	2284 0
2245		2265 0	2285 0
2246		2266 0	2286 0
2247		2267 0	2287 0
2248		2268 0	2288 0
49		2269 0	2289 0
Totals		2270 0	2290 0

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

Corporate Minimum Tax (CMT)



DOLLARS ONLY

Schedule D: Continuity of CMT Credit Carryovers

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

Notes:

- (1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))
- (2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))
- Amount in 2310 must equal sum of 2370 + 2390.

Schedule E: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340		2360	2380
	2001-12-31	0	0
2341		2361	2381
	2002-12-31	0	0
2342		2362	2382
		0	0
2343		2363	2383
		0	0
2344		2364	2384
		0	0
2345		2365	2385
		0	0
2346		2366	2386
		0	0
2347		2367	2387
		0	0
2348		2368	2388
		0	0
2349		2369	2389
		0	0
Totals		2370	2390
		0	0

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

Kingston Electricity Distribution Limited CT23-Supp.
 Corp. Tax Acct. No. : 1800263 Year Ended: 2002-12-31
 ONTARIO CT23 SUPPLEMENTARY - LIST OF ASSOCIATED CORPORATIONS

Name of Associated Corporation	Ontario Corp.		Taxable Capital	Total Assets (Note 1)	Total Revenue (Note 1)	Taxable Income (Note 2)	No Perm Estab in Canada
	Tax Number	Taxation Year end					
CITY OF KINGSTON		2002-12-31	0	0	0	0	
1425445 Ontario Limited O/A	1800292	2002-12-31	10,175,582	9,768,373	43,339,304	0	
TOTALS			10,175,582	9,768,373	43,339,304	0	

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

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

Ontario CT23 Supplementary

CCH Canadian Ltd. - Corporate Taxprep, 2002 CT23, ver. 2-2003

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 undepreciated 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 undepreciated 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 acquisitions 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 undepreciated capital cost at the end of the year (column 6 minus column 12)
3	479,281	0	0	0	479,281	0	479,281	5	0	0	23,964	455,317
1	4,548,315	0	0	0	4,548,315	0	4,548,315	4	0	0	181,933	4,366,382
1	2,412,012	91,404	0	0	2,503,416	45,702	2,457,714	4	0	0	98,309	2,405,107
1	2,203,512	133,584	0	0	2,337,096	66,792	2,270,304	4	0	0	90,812	2,246,284
1	5,319,546	1,553,212	0	0	6,872,758	776,606	6,096,152	4	0	0	243,846	6,628,912
1	1,548,116	462,930	0	0	2,011,046	231,465	1,779,581	4	0	0	71,183	1,939,863
10	1,296,253	180,606	0	0	1,476,859	90,303	1,386,556	30	0	0	415,967	1,060,892
8	159,041	100,694	0	0	259,735	50,347	209,388	20	0	0	41,878	217,857
8	94,020	0	0	0	94,020	0	94,020	20	0	0	18,804	75,216
12	45,730	49,883	0	0	95,613	24,941	70,672	100	0	0	70,672	24,941
1	2,748,837	92,524	0	0	2,841,361	46,262	2,795,099	4	0	0	111,804	2,729,557
12	94,992	261,777	0	0	356,769	130,888	225,881	100	0	0	225,881	130,888
10	0	55,397	0	0	55,397	27,698	27,699	30	0	0	8,310	47,087
12	0	1,918,182	0	0	1,918,182	959,091	959,091	100	0	0	452,669	1,465,513
Total	20,949,655	4,900,193	0	0	25,849,848	2,450,095	23,399,753	0	0	0	2,056,032	23,793,816
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
Kingston Electricity Distribution Limited	1800263	2002-12-31

- 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) 12,395^A

Add: Cost of eligible capital property acquired during the taxation year + 0^B
Amount transferred on amalgamation or wind-up of subsidiary + 0^C
Other adjustments + 0^D

Total of B + C + D = 0 X 0.75 = 0^E

Subtotal A + E = 12,395^F

Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible)
from the disposition of all eligible capital property during the taxation year + 0^G
The gross amount of a reduction in respect of a forgiven debt obligation
as provided for in subsection 80(7) of the Income Tax Act (Canada) + 0^H
Other adjustments + 0^I

Total of G + H + I = 0 X 0.75 = 0^J

Ontario cumulative eligible capital balance F – J = 12,395^K

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

Current year deduction 12,395^K X 7.00% * = 868^L

* 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) = 11,527^M

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

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

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

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

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

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

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

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

Line 3 deduct line 4 0

Total lines 1 + 2 + 5 0⁵

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

Deduct line 7 from line 6 0⁷

N – O (cannot be negative) 0^O

Amount on line 5 0 X 1/2 0^Q

P – 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 S + T 0

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