

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Revenue

GIFI	Account	Description	Amount	Prior year
8000		Trade sales of goods and services	+ 61,810,012	0
8020		Sales of goods and services to related parties	+ 0	0
8030		Interdivisional sales	+ 0	0
Sales from resource properties				
8040	*	Sales from resource properties	0	0
8041		Petroleum and natural gas sales	0	0
8042		Petroleum and natural gas sales to related parties	0	0
8043		Gas marketing	0	0
8044		Processing revenue	0	0
8045		Pipeline revenue	0	0
8046		Seismic sales	0	0
8047		Mining revenue	0	0
8048		Coal revenue	0	0
8049		Oil sands revenue	0	0
8050		Royalty income	0	0
8051		Oil and gas partnership/joint venture income/loss	0	0
8052		Mining partnership/joint venture income/loss	0	0
8053		Other production revenue	647,712	0
			-----	-----
		Sales from resource properties	+ 647,712	0
			=====	=====
8089		Total sales of goods and services	= 62,457,724	0

Investment revenue				
8090	*	Investment revenue	0	0
8091		Interest from foreign sources	0	0
8092		Interest from Canadian bonds and debentures	0	0
8093		Interest from Canadian mortgage loans	0	0
8094		Interest from other Canadian sources	0	0
8095		Dividend income	0	0
8096		Dividends from Canadian sources	0	0
8097		Dividends from foreign sources	0	0
			-----	-----
		Investment revenue	+ 0	0
			=====	=====

Interest income (financial institutions)

8100	*	Interest income (financial institutions)	0	0
101		Loan interest	0	0
102		Securities interest	0	0
8103		Deposits with banks interest	0	0
			-----	-----
Interest income (financial institutions)			+	0
			=====	=====

Commission revenue

8120	*	Commission revenue	0	0
8121		Commission income on real estate transactions	0	0
			-----	-----
Commission revenue			+	0
			=====	=====

Rental revenue

8140	*	Rental revenue	0	0
8141		Real estate rental revenue	0	0
8142		Film rental revenue	0	0
			-----	-----
Rental revenue			+	0
			=====	=====

8150		Vehicle leasing	+	0
				0

Fishing revenue

8160	*	Fishing revenue	0	0
8161		Fish products	0	0
8162		Other marine products	0	0
8163		Fishing grants, credits and rebates	0	0
8164		Fishing subsidies	0	0
8165		Compensation for loss of fishing income or property	0	0
8166		Sharesman income	0	0
			-----	-----
Fishing revenue			+	0
			=====	=====

Realized gains/losses on disposal of assets

8210	*	Realized gains/losses on disposal of assets	0	0
8211		Realized gains/losses on sale of investments	0	0
8212		Realized gains/losses on sale of resource properties	0	0
			-----	-----
Realized gains/losses on disposal of assets			+	0
			=====	=====

NPO amounts received

8220	NPO amounts received.....	0	0
1	Membership fees.....	0	0
8222	Assessments.....	0	0
8223	Gifts.....	0	0
8224	Gross sales and revenues from organizational activities.....	0	0
		-----	-----
	NPO amounts received	+	0
		=====	=====

Other revenue

8230	* Other revenue.....	0	0
8231	Foreign exchange gains/losses.....	0	0
8232	Income/loss of subsidiaries/affiliates.....	0	0
8233	Income/loss of other divisions.....	0	0
8234	Income/loss of joint ventures.....	0	0
8235	Income/loss of partnerships.....	0	0
8236	Realization of deferred revenues.....	0	0
8237	Royalty income other than resource.....	0	0
8238	Alberta royalty tax credits.....	0	0
8239	Management and administration fees.....	0	0
8240	Telecommunications revenue.....	0	0
8241	Consulting fees.....	0	0
8242	Subsidies and grants.....	0	0
8243	Sale of by-products.....	0	0
8244	Deposit services.....	0	0
8245	Credit services.....	0	0
8246	Card services.....	0	0
7	Patronage dividends.....	0	0
8248	Insurance recoveries.....	0	0
8249	Expense recoveries.....	0	0
8250	Bad debt recoveries.....	0	0
		-----	-----
	Other revenue	+	0
		=====	=====

8299	Total Revenue	=	62,457,724	0
			=====	=====

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Cost of Sales

GIFI	Account	Description	Amount	Prior year
Opening inventory				
8300	*	Opening inventory	0	0
8301		Opening inventory - finished goods	0	0
8302		Opening inventory - raw materials	0	0
8303		Opening inventory - goods in process	0	0
			-----	-----
		Opening inventory	+ 0	0
			=====	=====
Purchases and production costs				
8320		Purchases/cost of materials	+ 53,619,495	0
8340		Direct wages	+ 0	0
8350		Benefits on direct wages	+ 0	0
8360		Trades and sub-contracts	+ 0	0
8370		Production costs other than resource	+ 0	0
Resource production costs				
8400	*	Resource production costs	0	0
8401		Pipeline operations	0	0
8402		Drilling	0	0
8403		Site restoration costs	0	0
8404		Gross overriding royalty	0	0
8405		Freehold royalties	0	0
8406		Other producing properties rental	0	0
8407		Prospect/geological	0	0
8408		Well operating, fuel and equipment	0	0
8409		Well abandonment and dry holes	0	0
8410		Other lease rentals	0	0
8411		Exploration expenses	0	0
8412		Development expenses	0	0
			-----	-----
		Resource production costs	+ 0	0
			=====	=====
Crown charges				
8435	*	Crown charges	0	0
8436		Crown royalties	0	0
8437		Crown lease rentals	0	0
8438		Freehold mineral tax	0	0
8439		Mining taxes	0	0
8440		Oil sand leases	0	0
8441		Saskatchewan resource surcharge	0	0
			-----	-----
		Crown charges	+ 0	0
			=====	=====

Other direct costs

8450	*	Other direct costs	0	0
1		Equipment hire and operation	0	0
8452		Log yard	0	0
8453		Forestry costs	0	0
8454		Logging road costs	0	0
8455		Stumpage costs	0	0
8456		Royalty costs	0	0
8457		Freight in and duty	0	0
8458		Inventory write down	0	0
8459		Direct cost amortization of tangible assets	0	0
8460		Direct cost amortization of natural resource assets	0	0
8461		Overhead expenses allocated to cost of sales	0	0
			-----	-----
Other direct costs			+	0
			=====	=====

Closing inventory

8500	*	Closing inventory	0	0
8501		Closing inventory - finished goods	0	0
8502		Closing inventory - raw materials	0	0
8503		Closing inventory - goods in process	0	0
			-----	-----
Closing inventory			-	0
			=====	=====

8518	Cost of Sales	=	53,619,495	0
			=====	=====

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Operating Expenses

GIFI	Account	Description	Amount	Prior year
Advertising and promotion				
8520	*	Advertising and promotion	0	0
8521		Advertising	0	0
8522		Donations	0	0
8523		Meals and entertainment	0	0
8524		Promotion	0	0
			-----	-----
		Advertising and promotion	+ 0	0
			=====	=====
Amortization of intangible assets and bad debt expense				
8570		Amortization of intangible assets	+	0
8590		Bad debt expense	+	0
Loan losses				
8610	*	Loan losses	0	0
8611		Provision for loan losses	0	0
			-----	-----
		Loan losses	+ 0	0
			=====	=====
Employee benefits				
8620	*	Employee benefits	0	0
8621		Group insurance benefits	0	0
8622		Employer's portion of employee benefits	0	0
8623		Contributions to deferred income plans	0	0
			-----	-----
		Employee benefits	+ 0	0
			=====	=====
Amortization of natural resource and tangible assets				
8650		Amortization of natural resource assets	+	0
8670		Amortization of tangible assets	+	1,407,252
Insurance				
8690	*	Insurance	0	0
8691		Life insurance on executives	0	0
			-----	-----
		Insurance	+ 0	0
			=====	=====

Interest and bank charges

8710	*	Interest and bank charges	1,766,875	0
11		Interest on short term debt	1,493,807	0
2		Interest on bonds and debentures	1,694,390	0
8713		Interest on mortgages	219,334	0
8714		Interest on long term debt	897,600	0
8715		Bank charges	93,388	0
8716		Credit card charges	0	0
8717		Collection and credit costs	0	0
			-----	-----
Interest and bank charges			+ 6,165,394	0
			=====	=====

Interest paid (financial institutions)

8740	*	Interest paid (financial institutions)	0	0
8741		Interest paid on deposits	0	0
8742		Interest paid on bonds and debentures	0	0
			-----	-----
Interest paid (financial institutions)			+ 0	0
			=====	=====

Business taxes, licences and memberships

8760	*	Business taxes, licences and memberships	0	0
8761		Memberships	0	0
8762		Business taxes	0	0
8763		Franchise fees	0	0
8764		Government fees	0	0
			-----	-----
Business taxes, licences and memberships			+ 0	0
			=====	=====

8780		New Brunswick tax on large corporations	+	0	0
8790		Nova Scotia tax on large corporations	+	0	0

Office expenses

8810	*	Office expenses	0	0
8811		Office stationery and supplies	0	0
8812		Office utilities	0	0
8813		Data processing	0	0
			-----	-----
Office expenses			+ 0	0
			=====	=====

Professional fees

8860	* Professional fees	0	0
1	Legal fees	0	0
8862	Accounting fees	0	0
8863	Consulting fees	0	0
8864	Architect fees	0	0
8865	Appraisal fees	0	0
8866	Laboratory fees	0	0
8867	Medical fees	0	0
8868	Veterinary fees	0	0
8869	Brokerage fees	0	0
8870	Transfer fees	0	0
8871	Management and administration fees	0	0
8872	Refining and assay	0	0
8873	Registrar and transfer agent fees	0	0
8874	Restructuring costs	0	0
8875	Security and exchange commission fees	0	0
8876	Training expense	0	0
8877	Studio and recording	0	0
		-----	-----
	Professional fees	+	0
		=====	=====

Rental

8910	* Rental	0	0
8911	Real estate rental	0	0
8912	Occupancy costs	0	0
8913	Condominium fees	0	0
14	Equipment rental	0	0
8915	Motor vehicle rentals	0	0
8916	Moorage (boat)	0	0
8917	Storage	0	0
8918	Quota rental	0	0
		-----	-----
	Rental	+	0
		=====	=====

Repairs and maintenance

8960	* Repairs and maintenance	0	0
8961	Repairs and maintenance - buildings	0	0
8962	Repairs and maintenance - vehicles	0	0
8963	Repairs and maintenance - boats	0	0
8964	Repairs and maintenance - machinery and equipment	0	0
		-----	-----
	Repairs and maintenance	+	0
		=====	=====

Other repairs and maintenance

9010	* Other repairs and maintenance	0	0
9011	Machine shop expense	0	0
9012	Road costs	0	0
9013	Security	0	0
9014	Garbage removal	0	0
		-----	-----
	Other repairs and maintenance	+	0
		=====	=====

Salaries and wages

9060	* Salaries and wages.....	0	0
1	Commissions.....	0	0
2	Crew share.....	0	0
9063	Bonuses.....	0	0
9064	Directors fees.....	0	0
9065	Management salaries.....	0	0
9066	Employee salaries.....	0	0
		-----	-----
	Salaries and wages	+	0
		=====	=====

9110	Sub-contracts.....	+	0
			0

Supplies

9130	* Supplies.....	0	0
9131	Small tools.....	0	0
9132	Shop expense.....	0	0
9133	Uniforms.....	0	0
9134	Laundry.....	0	0
9135	Food and catering.....	0	0
9136	Fishing gear.....	0	0
9137	Nets and traps.....	0	0
9138	Salt, bait and ice.....	0	0
9139	Camp supplies.....	0	0
9150	Computer-related expenses.....	0	0
9151	Upgrade.....	0	0
2	Internet.....	0	0
		-----	-----
	Supplies	+	0
		=====	=====

9180	Property taxes.....	0	0
		=====	=====

Travel expenses

9200	* Travel expenses.....	0	0
9201	Meetings and conventions.....	0	0
		-----	-----
	Travel expenses	+	0
		=====	=====

Utilities

9220	* Utilities.....	0	0
9221	Electricity.....	0	0
9222	Water.....	0	0
9223	Heat.....	0	0
9224	Fuel costs.....	0	0
9225	Telephone and telecommunications.....	0	0
		-----	-----
	Utilities	+	0
		=====	=====

Other expenses		
9270	* Other expenses	0 0
9271	Cash over/short	0 0
9272	Reimbursement of parent company expense	0 0
9273	Selling expenses	0 0
9274	Shipping and warehouse expense	0 0
9275	Delivery, freight and express	0 0
9276	Warranty expenses	0 0
9277	Royalty expenses - resident	0 0
9278	Royalty expenses - non-resident	0 0
9279	Dumping charges	0 0
9280	Land fill fees	0 0
9281	Vehicle expenses	0 0
9282	Research and development	0 0
9283	Withholding taxes	0 0
9284	General and administrative expenses	0 0
9285	Interdivisional	0 0
9286	Interfund transfer	0 0

	Other expenses	+ 0 0
		=====

9367	Total Operating Expenses	= 7,572,646 0
		=====

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

NOTES CHECKLIST

(1998 and later taxation years)

- This form is to be used by all corporations that do not use a software package to prepare financial statement information and are not eligible to use the GIFI-Short form.
- Use this schedule to report a notes checklist for the corporation's financial statement information.
- For more information, see the "Guide to the General Index of Financial Information (GIFI) for Corporations" and the "T2 Corporation Income Tax Guide."
- The following questions have to be answered:
 - questions 100, 101, and 108;
 - if you answer "yes" to question 101, you have to answer questions 102 to 107;
 - if you answer "yes" to question 108, you have to answer question 109.

Part 1 - Involvement of accountantWho reported on or prepared the corporation's financial statements? 100

Tick only one of the following:

- | | | |
|---|---|-------|
| An independent auditor with a report that expressed no reservation | 1 | [X] |
| An independent auditor with a report that expressed a reservation | 2 | [] |
| An independent accountant with a review engagement report that expressed no reservation | 3 | [] |
| An independent accountant with a review engagement report that expressed a reservation | 4 | [] |
| An independent accountant who conducted a compilation engagement with no review | 5 | [] |
| An independent accountant with a compilation and review engagement resulting in no reservation | 6 | [] |
| An independent accountant with a compilation and review engagement resulting in a reservation | 7 | [] |
| Prepared by an employee/associate/management of the company, or a person for the company, without a review/audit by an independent accountant/auditor | 8 | [] |

Part 2 - Other information

- | | | Yes/No |
|--|---|--------|
| Were notes to the financial statements prepared? | 101 | [Y] |
| Are any values presented at other than cost? | 102 | [N] |
| Has there been a change in accounting policies since the last return? | 103 | [N] |
| Are subsequent events mentioned in the notes? | 104 | [N] |
| Is re-evaluation of asset information mentioned in the notes? | 105 | [N] |
| Is contingent liability information mentioned in the notes? | 106 | [N] |
| Is information regarding commitments mentioned in the notes? | 107 | [N] |
| Does the corporation have investments in joint venture(s) or partnership(s)? | 108 | [N] |
| If "yes," are you filing financial statements of the joint venture(s) or partnership(s)? | 109 | [] |

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

T 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 on this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and

extraordinary items per financial statements 765,583 A

Additions:

Provision for income taxes - current 101 500,000

Amortization of tangible assets 104 1,407,252

Reserves from financial statements - balance at the end of the year 126 850,783

Subtotal of additions 2,758,035 2,758,035

Other Additions:**Miscellaneous Other Additions:**

600 Post-market opening variance 290 64,825

Subtotal of Other Additions 199 64,825 64,825

Total Additions 500 2,822,860 2,822,860**Deductions:**

Capital cost allowance from Schedule 8 403 2,436,058

Cumulative eligible capital deduction from Schedule 10 405 868

Reserves from financial statements - balance at the beginning of the year 414 817,974

Subtotal of Deductions 3,254,900 3,254,900

Other Deductions:**Miscellaneous Other Deductions:**

700 Ontario Capital Tax 390 78,000

701 Pre-market opening variance 391 178,255

702 Transition costs deductible for tax purposes 392 60,655

703 Deductible financing costs 393 16,633

Subtotal of Other Deductions 499 333,543 333,543

Total Deductions 510 3,588,443 3,588,443**Net income (loss) for income tax purposes** 0

(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	Cost of Additions During Year	Adjustments	Lesser of Cost or Proceeds	1/2 of [203] - [207]	Rate %	Recapture of Capital Cost Allowance	Terminal Loss	Capital Cost Allowance	Undepreciated Capital Cost end of year
[200]	[201]	[203]	[205]	[207]	[211]	[212]	[213]	[215]	[217]	[220]
3	479,281	0	0	0	0	5	0	0	23,964	455,317
1	4,548,315	0	0	0	0	4	0	0	181,933	4,366,382
1	2,412,012	91,404	Substat	0	45,702	4	0	0	98,309	2,405,107
1	2,203,512	133,584	Motors	0	66,792	4	0	0	90,812	2,246,284
1	5,319,546	1,553,212	Chd	0	776,606	4	0	0	243,846	6,628,912
1	1,548,116	462,930	Ugd.	0	231,465	4	0	0	71,183	1,939,863
10	1,296,253	180,606	Scada	0	90,303	30	0	0	415,967	1,060,892
8	159,041	100,694	Toda	0	50,347	20	0	0	41,878	217,857
8	94,020	0		0	0	20	0	0	18,804	75,216
12	45,730	49,883	App. Syst	0	24,941	100	0	0	70,672	24,941
1	2,748,837	92,524	Tx	0	46,262	4	0	0	111,804	2,729,557
12	94,992	261,777	Scada Syst	0	130,888	100	0	0	225,881	130,888
10	0	55,397	Transmission	0	27,698	30	0	0	8,310	47,087
12	0	1,918,182	Oct 1/2002	0	959,091	100	0	0	832,695	1,085,487
Total	20,949,655	4,900,193		0	2,450,095		0	0	2,436,058	23,413,790

Corporate Taxprep / Taxprep des sociétés - TP-07

Barry M. Smyth
541-7328

x corrected

Steve

Kingston Electricity Distribution Limited

Sch. 009

Account/Business No.: 866529399RC0001 Year Ended:

2002-12-31

RELATED AND ASSOCIATED CORPORATIONS

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

- related corporation(s)

- associated corporation(s)

Name	Ctry of resi- dence	Business Number (Note)	Rela- tion- ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of pre- ferred 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

Corporate Taxprep / Taxprep des sociétés - TP-07

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") 200 12,395 A**Add:**Cost of eligible capital property acquired during
the taxation year 222 0 BAmount transferred on amalgamation or wind-up
of subsidiary 224 0 COther adjustments 226 0 D

(add amounts B, C, and D) 0 x 0.75 = 0 E

Subtotal (amount A plus amount E) 230 12,395 F**Deduct:**Proceeds of sale (less outlays and expenses not otherwise deductible)
from the disposition of all eligible capital property during
the taxation year 242 0 G(The gross amount of a reduction in respect of a forgiven debt
obligation as provided for in subsection 80(7)) 244 0 HOther adjustments 246 0 I(add amounts G, H, and I) 0 x 0.75 = 248 0 J**Cumulative eligible capital balance (amount F minus amount J)** 12,395 K

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

Current year deduction amount K 12,395 x 7.00% = 250 868 L
(enter amount L at line 405 of Schedule 1)**Cumulative eligible capital - Closing balance** 300 11,527 M
Amount 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	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 $0 \times 1/2$				0 Q
Line P minus line Q				0 R
Amount on line R $0 \times 2/3$ *				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

CELLANEIOUS 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	0	0	1,766,875

**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

Date filed (for departmental use only) Year Month Day

Enter the calendar year to which the agreement applies Year
2002

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? [Y/N] [N]

1	2	3	4	4A	5	6
Names of associated corporations	Business Number of associated corporations	Association code	Business limit allocated (Note 1)	Increased business limit (Note 4)	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year (Notes 2 & 3)
<input type="checkbox"/> 100	<input type="checkbox"/> 200	<input type="checkbox"/> 300	<input type="checkbox"/> 400		<input type="checkbox"/> 500	
Kingston Electricity Distribut	866529399RC0001	1	200,000	200,000		44,385
See attached			0	0		11,635
			-----	-----		-----
		Totals	200,000	200,000		56,020
			=====	=====		=====

Note 1:

Each corporation will enter the amount allocated to it in column 4 based on a repartition of \$200,000 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).

Note 4:

For 2003, the limit is \$225,000 and it will increase by \$25,000 each year to reach \$300,000 in 2006.

For the taxation years that overlap with the calendar year, the limit is established on a pro-rata basis using the number of days of the taxation year that fall within the calendar year.

Kingston Electricity Distribution Limited Sch. 023-Supp.
 Account/Business No.: 866529399RC0001 Year Ended: 2002-12-31
 AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

1	2	3	4	4A	5	6
Name of associated corporation	Business Number of associated corporation	Asso- ciation code	Business limit allocated (Note 1)	Increased business limit (Note 3)	Taxation year end to which this agreement applies (Note 2)	Gross Part I.3 Tax of the prior year
[100]	[200]	[300]	[400]		[500]	
CITY OF KINGSTON	873300495RC0001	4	0	0		0
1425445 Ontario Limited O/A	893404814RC0001	4	0	0		11,635
TOTALS			0	0		11,635

Note 1:

Each corporation will enter the amount allocated to it in column 4 based on a repartition of \$200,000 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 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.

Note 3:

For 2003, the limit is \$225,000 and it will increase by \$25,000 each year to reach \$300,000 in 2006. For the taxation years that overlap with the calendar year, the limit is established on a prorata basis using of the number of days of the taxation year that fall within the calendar year.

Schedule 23-Supplementary

Corporate Taxprep / Taxprep des sociétés - TP-07

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) 100 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	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)
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 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 0

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 0

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) 0 D

Taxable capital for the taxation year

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

500 32,333,024

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.

Taxable capital for the year (line 500)	Taxable income earned in Canada	Taxable capital employed in Canada
32,333,024 X	610 1,000	690 32,333,024
	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 0

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada 711 0

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year in Canada 712 0

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 713 0

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

Taxable capital employed in Canada

(line 701 minus amount E) (if negative, enter "0") 790 0

Part 6 - Calculation of gross Part 1.3 tax

Taxable capital employed in Canada for the year

(line 690 or 790, whichever applies) 32,333,024

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 31,464,029

Gross Part 1.3 tax: Line 811 31,464,029 x .2250% = 70,794 F

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

Amount F 70,794 x Number of days in the year 365 = 0 G

Gross Part 1.3 tax (amount F or G, whichever applies) 820 70,794

Part 10 - Calculation of net Part 1.3 tax payable

Gross Part 1.3 tax (line 820)		70,794	N
Deduct the following amounts:			
Current 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	70,794	
		=====	

Attached Sch.
2002-12-31

Bank
City of Kingston
Employee future benefits

[illegible]

Total	18,321,415.00
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A/P > 365 Days

[illegible]

Total

0.00

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

Date filed (for departmental use only) [010] Year Month Day

Is this an amended agreement? [020] [Y/N] [N]

For the calendar year to which the agreement applies [030] Year 2002

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member 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)
[200]	[300]	[400]	[500]
Kingston Electricity Distribut	866529399RC0001	868,995	
See attached		9,131,005	

	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.
2002-12-31

- 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	
1425445 Ontario Limited O/A	893404814RC0001	9,131,005	
TOTAL		9,131,005	

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

Corporate Taxprep / Taxprep des sociétés - TP-07

Revised
Callaway
Jan 11
2075

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

SHAREHOLDER INFORMATION

(8 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	Social Insurance Number	Percentage common shares	Percentage preferred shares
	(note 1)	(note 2)		
	100	200	400	500
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 "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.