



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

Account No.
1800263

35
PX5005

KINGSTON ELECTRICITY DISTRIBUTION LIMITED
C/O RANDY MURPHY
1211 JOHN COUNTER BOUL

KINGSTON
K7L 4X7

ON

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Taxation Year End: (YYYYMMDD)

2	0	0	3	1	2	3	1
---	---	---	---	---	---	---	---

Payment Amount: \$

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Total Payment
Enclosed:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--



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

Keep this portion for your records.

Notice of Reassessment

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

KINGSTON ELECTRICITY DISTRIBUTION LIMITED

Account No.

1800263

Reassessment Date
(year, month, day)

2006/02/10

Page

1 of 1

REASSESSMENT NO. 80 REPLACING ASSESSMENT DATED: 2004/07/29

Tax: Federal and Provincial PIL
Assessment Interest

Total Reassessment Liability

446,153.00
5,452.82
451,605.82

SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers
Refunds

453,632.00CR
2,026.17

Sub-Total

Small Balance Adjustment
TAXATION YEAR BALANCE

451,605.83CR
0.01
0.00

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

Total tax assessed as per company estimate

Tax (Re)Assessment Enquiries:

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

Account Billing Enquiries & Change of Address Information:

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

Notice of Assessment

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

Account No.	Assessment Date (year, month, day)	Page
1800263	2004/07/29	1 of 1

KINGSTON ELECTRICITY DISTRIBUTION LIMITED

ASSESSMENT NO. 51

Tax: Federal and Provincial PIL
Assessment Interest
Total Assessment Liability

446,153.00
5,454.16
451,607.16

SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	453,632.00CR
--------------------	--------------

Sub-Total

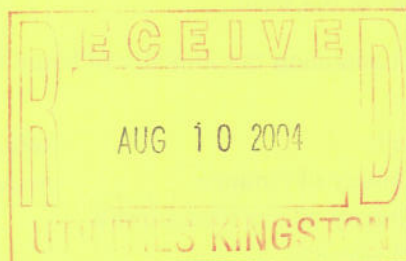
453,632.00CR
2,024.84CR

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

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

Total tax assessed as per company estimate

assessed as filed.
R. May
03/11/04



Tax (Re)Assessment Enquiries:

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

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0000004



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

2003

CT23 Corporations Tax and Annual Return

For taxation years
commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)

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

(formerly Ministry of Consumer and Commercial Relations)

The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the Corporations Information Act for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

This form is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-17, together with the applicable schedules on pages 18-21. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return (see page 2).

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

☐ Yes ☒ No

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Ministry Use

CLIENT'S COPY

Corporation's Legal Name (including punctuation) Kingston Electricity Distribution Limited			Ontario Corporations Tax Account No. (MOF) 1800263													
Mailing Address Randy Murphy 1211 John Counter Boulevard Kingston ON CA K7L-4X7			This CT23 Return covers the Taxation Year Start <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2003</td><td>01</td><td>01</td></tr></table> End <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2003</td><td>12</td><td>31</td></tr></table>		year	month	day	2003	01	01	year	month	day	2003	12	31
year	month	day														
2003	01	01														
year	month	day														
2003	12	31														
Has the mailing address changed since last filed CT23 Return? <input checked="" type="checkbox"/> Yes			Date of Change <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2004</td><td>06</td><td>25</td></tr></table>		year	month	day	2004	06	25						
year	month	day														
2004	06	25														
Registered/Head Office Address 1211 John Counter Boulevard Kingston ON CA K7L-4X7			Date of Incorporation or Amalgamation <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2000</td><td>09</td><td>19</td></tr></table>		year	month	day	2000	09	19						
year	month	day														
2000	09	19														
Location of Books and Records 1211 John Counter Boulevard Kingston ON CA K7L-4X7			Ontario Corporation No. (MCBS) 1425446													
Name of person to contact regarding this CT23 Return Randy Murphy			Canada Customs and Revenue Agency (formerly Revenue Canada) Business No. <table border="1"><tr><td>If applicable, enter</td></tr><tr><td>866529399RC0001</td></tr></table>		If applicable, enter	866529399RC0001										
If applicable, enter																
866529399RC0001																
Telephone No. 613-546-1181		Fax No. 613-542-1463		Jurisdiction Incorporated Ontario												
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS) ON CA -			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr></table> Ceased <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr></table>		year	month	day	year	month	day						
year	month	day														
year	month	day														
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MCBS)			<input checked="" type="checkbox"/> Not Applicable													
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS).			No. of Schedule(s) <table border="1"><tr><td>0</td></tr></table> <input checked="" type="checkbox"/> No Change		0											
0																
			Preferred Language/Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français													
			Ministry use 													

Certification (MCBS)

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

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

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

2003-12-31

CT23 Corporations Tax Return

Information 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

Electricity Distribution

2 1 ☐ Family Farm Corporation s.1 (2)

2 ☐ Family Fishing Corporation s.1 (2)

3 ☐ Mortgage Investment Corporation s.47

4 ☐ Credit Union s.51

5 ☐ Bank Mortgage Subsidiary s.61 (4)

6 ☐ Bank s.1 (2)

7 ☐ Loan and Trust Corporation s.61 (4)

8 ☐ Non-resident Corporation
s.2(2)(a) or (b)

9 ☐ Non-resident Corporation s.2(2)(c)

10 ☐ Mutual Fund Corporation s.48

11 ☐ Non-resident owned investment
Corporation s.49

12 ☐ Non-resident ship or aircraft under
reciprocal agreement with Canada s.28(b)

14 ☐ Bare Trustee Corporation

15 ☐ Branch of Non-resident s.63(1)

16 ☐ Financial institution prescribed by
Regulation only

17 ☐ Investment Dealer

18 ☐ Generator of electrical energy for sale or
producer of steam for use in the generation
of electrical energy for sale

19 ☐ Hydro successor, Municipal Electrical Utility
or subsidiary of either

20 ☐ Producer and seller of steam for uses other
than for the generation of electricity

21 ☐ Insurance Exchange s.74.4

22 ☐ Farm Feeder Finance Co-operative
Corporation

23 ☐ Professional Corporation
(incorporated professionals only)

Please "X" box(es) if applicable:

☐ First Year of Filing

☒ Amended Return

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

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

☐ Final Taxation Year before Amalgamation

☐ Floating Fiscal Year End

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

☐ Acquisition of Control fed s.249(4)

Date Control was acquired

year month day

Was the corporation inactive throughout the taxation year?

Yes No
☐ ☒

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

☒ ☐

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

☐ ☒

an Overpayment?

☐ ☒

a Specified Refundable Tax Credit?

☐ ☒

Are you a Member of a Partnership or Joint Venture?

☐ ☒

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	668,574.
Subtract: Charitable donations	-	1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	-	2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3	-	3	0.
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002)	-	4	0.
Subtract: Federal Part VI.1 tax 0. X 9/3	-	5	0.
Subtract: Prior years' losses applied – Non-capital losses	-	From 704	0.
Net capital losses From 715 (page 16) 0. X inclusion rate 50.000000% =	-	714	0.
Farm losses	-	From 724	0.
Restricted farm losses	-	From 734	0.
Limited partnership losses	-	From 754	0.
Taxable Income (Non-capital loss)		10	668,574.
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	668,574.

Taxable Income		Number of Days in Taxation Year	
From 10 (or 20 if applicable) 668,574. X 30 100.0000 % X 12.5000 %	Ontario Allocation	Days after Sept. 30, 2001 and before Jan. 1, 2004 Total Days 33 365 + 73 365	= + 29 83,572.
From 10 (or 20 if applicable) 668,574. X 30 100.0000 % X 14.0000 %	Ontario Allocation	Days after Dec. 31, 2003 Total Days 34 0 + 73 365	= + 32 0.
Income Tax Payable (before deduction of tax credits)	29 + 32		= 40 83,572.

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	1,052,950.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	1,052,950.
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.
	=	1,052,950.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	54	1,052,950.
	55	225,000.

Ontario Business Limit Calculation

280,000 X	Days after Sept. 30, 2001 and before Jan. 1, 2003 28 0 + ** 365	= + 43 0.
320,000 X	Days after Dec. 31, 2002 and before Jan. 1, 2004 31 365 + ** 365	= + 46 320,000.
400,000 X	Days after Dec. 31, 2003 34 0 + ** 365	= + 47 0.
Business Limit for Ontario purposes	43 + 46 + 47 = 44 320,000. X	*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated. 48 100.0000 % = 45 320,000.
Income eligible for the IDSBC	From 30 100.0000 % X	56 320,000. = 60 320,000.
	**** Ontario Allocation	Least of 50, 54 or 45

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

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

*** Note: For a taxation year ending before Jan. 1, 2003, use your proportion of the associated group business limit.

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

continued on Page 5

Kingston Electricity Distribution Limited

1800263

2003-12-31

DOLLARS ONLY

Income Tax continued from Page 4

Calculation of IDSBC Rate

Number of Days in Taxation Year			
Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
28 0 + 73	365	= +	79 .0000
Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
31 365 + 73	365	= +	89 7.0000
Days after Dec. 31, 2003	Total Days		
34 0 + 73	365	= +	90 .0000

IDSBC Rate for Taxation Year $\boxed{79} + \boxed{89} + \boxed{90} = \boxed{78} 7.0000$

Claim From $\boxed{60} 320,000$ X From $\boxed{78} 7.0000\%$ = $\boxed{70} 22,400$

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 $\boxed{114}$ 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 $\boxed{10}$ (or $\boxed{20}$ if applicable) + $\boxed{80} 668,574$

If you are a member of an associated group (X) $\boxed{81}$ ☒ (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 + $\boxed{82} 0$

..... + $\boxed{83}$

..... + $\boxed{84}$

Aggregate Taxable Income $\boxed{80} + \boxed{82} + \boxed{83} + \boxed{84}$, etc. = $\boxed{85} 668,574$

Number of Days in Taxation Year			
Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
28 0 + 73	365	= +	113 0
Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
31 365 + 73	365	= +	115 320,000
Days after Dec. 31, 2003	Total Days		
34 0 + 73	365	= +	116 0

$\boxed{113} + \boxed{115} + \boxed{116} = \boxed{320,000}$ - $\boxed{114} 320,000$
(If negative, enter nil) = $\boxed{86} 348,574$

Number of Days in Taxation Year			
Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
28 0 + 73	365	= +	95 .0000
Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
31 365 + 73	365	= +	96 4.6670
Days after Dec. 31, 2003	Total Days		
34 0 + 73	365	= +	97 .0000

Calculation of Specified Rate for Surtax 4.3330% X = $\boxed{95} .0000$

..... 4.6670% X = $\boxed{96} 4.6670$

..... 4.6670% X = $\boxed{97} .0000$

Specified rate of surtax for Taxation Year $\boxed{95} + \boxed{96} + \boxed{97} = \boxed{94} 4.6670$

From $\boxed{86} 348,574$ X From $\boxed{94} 4.6670\%$ = $\boxed{87} 16,268$
From $\boxed{87} 16,268$ X From $\boxed{60} 320,000$ + From $\boxed{114} 320,000$ = $\boxed{88} 16,268$

Surtax Lesser of $\boxed{70}$ or $\boxed{88}$ = $\boxed{100} 16,268$
continued on Page 6

Kingston Electricity Distribution Limited

1800263

2003-12-31

DOLLARS ONLY

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

110 0.

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

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

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

Eligible Canadian Profits	.....	+	120	0.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	.....	-	From 56	320,000.
Add: Adjustment for Surtax on Canadian-controlled private corporations	.....		
From 100	16,268.	+	From 30	100.0000%
			From 78	7.0000%
				= 121
				232,400.
Lesser of 56 or 121	.....	+	122	232,400.
120 - 56 + 122	.....	=	130	0.
Taxable Income	.....	+	From 10	668,574.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	.....	-	From 56	320,000.
Add: Adjustments for Surtax on Canadian-controlled private corporations	.....	+	From 122	232,400.
Subtract: Taxable Income 10	668,574.	X Allocation % to jurisdictions outside Canada	0.0000%	- 140
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	.....	-	141	0.
10 - 56 + 122 - 140 - 141	.....	=	142	580,974.

Claim**Number of Days in Taxation Year**

143	0.	X	From 30	100.0000%	X	1.5000%	X	Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days	33	0	+	73	365	= + 154	0.
				* Ontario Allocation												

143	0.	X	From 30	100.0000%	X	2.0000%	X	Days after Dec. 31, 2003	Total Days	34	0	+	73	365	= + 156	0.
				* Ontario Allocation												

M&P claim for taxation year	154	+	156	=	160	0.
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* 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 (Int.B. 3001) (Attach schedule).

170 0.

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

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 = 190 77,440.

continued on Page 7

Kingston Electricity Distribution Limited

1800263

2003-12-31

DOLLARS ONLY

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 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.

(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)

193 0.

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

Applies to employment of eligible unemployed post secondary graduate.

Eligible Credit From 6598 Summary Schedule G

No. of Graduates From 6596

194 0

195 0.

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

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

Eligible Credit From 6900 OBPTC Claim Form (Attach both the original Claim Form and the 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 Media Development Corporation

(Attach the original Claim/Certification 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 productions where the OFTTC has not been claimed.

Eligible Credit From 7300 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.

(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)

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 Media Development Corporation

(Attach original Claim/Certification Form.)

200 0.

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

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

Eligible Credit From 7500 OSRTC Claim Form (Attach both the original Claim Form and the 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 (amount cannot be negative)

230 77,440.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on Page 8. If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on Page 17.

OR

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

Kingston Electricity Distribution Limited

1800263

2003-12-31

DOLLARS ONLY

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] 40,261,620.
 * Total Revenue of the corporation + [241] 56,460,977.

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] 9,371,051.	[244] 43,796,500.
			[245] .	[246] .
			[247] .	[248] .
Aggregate Total Assets	[240] + [243] + [245] + [247], etc.		[249] 49,632,671.	
Aggregate Total Revenue	[241] + [244] + [246] + [248], etc.			[250] 100,257,477.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedules A through E** on Pages 18, 19 and 20 of CT23.

Calculation: CMT (Attach Schedule A: Calculation of CMT Base on Page 18.)

CMT Payable CMT Base From [2135] 1,218,046. X From [30] 100.0000% X 4.0000% = [276] 48,722.
 If negative, enter zero Ontario Allocation
 Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) - [277] 0.
 Subtract: Income Tax - From [190] 77,440.
Net CMT Payable (If negative, enter Nil on Page 17.) = [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 17.

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 17 and transfer [280] to Page 17, and to Schedule D: Continuity of CMT Credit Carryovers, on Page 20.

CMT Credit Carryover available From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) + From [190] 77,440.
 Gross CMT Payable + From [276] 48,722.
 Subtract: Foreign Tax Credit for CMT purposes - From [277] 0.
 If [276] - [277] is negative, enter NIL in [290] = 48,722. - [290] 48,722.
Income Tax eligible for CMT Credit = [300] 28,718.

B. Income Tax (after deduction of specified credits) + From [230] 77,440.
 Subtract: CMT credit used to reduce income taxes - [310] 0.
Income Tax = [320] 77,440.

Transfer to page 17

* B applies, [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 and Int.B. 3011)

If corporation is a Financial Institution (s.58(2)), complete lines 480

a. 0 on page 10 then proceed to page 13.

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 \$1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$3,000,000 or less and the taxation year commences after September 30, 2001, your corporation 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 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

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

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

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

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

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose business is not carried on solely in Canada is deemed to be the greater of (1) taxable income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	350	12,380,619.
Retained earnings (if deficit, deduct) (Int.B. 3012)	351	2,684,368.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	352	0.
Loans and advances (Attach schedule) (Int.B. 3013)	353	12,960,781.
Bank loans (Int.B. 3013)	354	5,700,000.
Bankers acceptances (Int.B. 3013)	355	0.
Bonds and debentures payable (Int.B. 3013)	356	0.
Mortgages payable (Int.B. 3013)	357	0.
Lien notes payable (Int.B. 3013)	358	0.
D and 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) (Int.B. 3013)	359	871,102.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	360	0.
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012)	361	0.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	362	0.
Subtotal	370	34,596,870.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	371	1,049,437.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	372	0.
Total Paid-up Capital	380	33,547,433.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382	0.
Net Paid-up Capital	390	33,547,433.

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

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

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	402	0.
Mortgages due from other corporations	403	0.
Shares in other corporations (certain restrictions apply) (Refer to Guide)	404	2.
Loans and advances to unrelated corporations	405	0.
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

Ontario UCC/NBV Timing Differences

Tax depreciation - 2001	175,963.00
Tax depreciation - 2002	2,056,032.00
Tax depreciation - 2003	2,023,622.00
	0.00
Accounting amortization - 2001	-326,786.00
Accounting amortization - 2002	-1,407,252.00
Accounting amortization - 2003	-1,472,142.00
	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	----- 1,049,437.00 -----

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

Total Assets per balance sheet	+	420	40,261,620.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets (Attach schedule)	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	-	423	0.
Total Assets as adjusted	=	430	40,261,620.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	1,049,437.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	+	443	0.
Total Assets	=	450	39,212,183.

Investment Allowance $(\frac{410 + 450}{2}) \times 390$	Not to exceed 410	=	460	2,566,610.
Taxable Capital 390 - 460		=	470	30,980,823.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	56,460,977.
Total Assets (as adjusted)	From 430	40,261,620.

Calculation of Capital Tax for all corporations except Financial Institutions*Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.**(Financial Institutions use calculations on page 13.)***Important:**

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

OR If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.

OR If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11, and if applicable, complete Section D or Section E on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2003 CT23 guide for additional instructions before completing the capital tax section.

SECTION A

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

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

SECTION B

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

- B1. 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 12 and complete the return from that point.
- B2. If taxable capital, 470 on page 10, is \$5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.
- B3. If taxable capital, 470 on page 10 exceeds \$5,000,000, complete the following calculation and transfer the amount From 523 to 543 on page 12, and complete the return from that point.

+	From 470	0.							
-		0.							
=	471	0.	X From 30	100.0000%	X	.3000%	X	555	365
				Ontario Allocation				** 365	
									Transfer to 543 on page 12 and complete the return from that point

** If floating taxation year, refer to Guide.

continued on Page 11

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Capital Tax Calculation *continued from Page 10*

TION C

This section applies ONLY to a corporation that is a member of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either ☐ 509 or ☐ 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ 509 (X if applicable) All corporations that you are associated with do not have a permanent establishment in Canada.

If taxable capital ☐ 470 on page 10 is \$5,000,000 or less, enter NIL in ☐ 550 on page 12 and complete the return from that point.

If taxable capital ☐ 470 on page 10 exceeds \$5,000,000 proceed to Section D, enter \$5,000,000 in ☐ 542 Section D, and complete Section D and the return from that point.

C2. ☒ 524 (X if applicable) One or more of the corporations that you are associated with maintains a permanent establishment in Canada.

If the taxation year ends before January 1, 2003, you must complete the Calculation below.

If the taxation year ends after December 31, 2002, you and your associated group may continue to allocate the \$5,000,000 taxable capital exemption by completing the Calculation below. Or, the associated group may file an election under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the \$15,000 capital tax effect, relating to the \$5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

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

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

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

Taxable Capital From ☐ 470 on page 10 + From ☐ 470 0.

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

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada
(if insufficient space, attach schedule)

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

Taxation Year End

Taxable Capital

.....	+	<input type="checkbox"/> 531	.....	0.
.....	+	<input type="checkbox"/> 532	.....	.
.....	+	<input type="checkbox"/> 533	.....	.
Aggregate Taxable Capital <input type="checkbox"/> 470 + <input type="checkbox"/> 531 + <input type="checkbox"/> 532 + <input type="checkbox"/> 533, etc.	=	<input type="checkbox"/> 540	.....	0.

If ☐ 540 above is \$5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in ☐ 523 in section D on page 12, 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 taxation year under Section D on page 12.

From ☐ 470 0. + From ☐ 540 0. x = ☐ 541 0.

..69(2.1) Election Filed

Transfer to ☐ 542 in Section D on page 12

☒ 591 (X if applicable) Election filed. Attach a copy of the election with this CT23 Return.
Proceed to Section E on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

7ON D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, 540 on page 11, exceeds \$5,000,000.

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

[illegible]

SECTION E

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

$$+ \text{ From } \boxed{470} \underline{30,980,823.} \times \text{ From } \boxed{30} \underline{100.0000\%} \times \boxed{.3000\%} \dots\dots\dots = + \boxed{561} \underline{92,942.}$$

- Capital tax deduction From 995 relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form From 995 15,000.
= 562 77,942.

$$\begin{array}{rcll} \text{Capital Tax} & \dots\dots\dots 562 & \underline{77,942.} & \\ & & \times & \begin{array}{r} \text{Days in taxation year} \\ 555 \quad \underline{365} \\ \hline 365 \\ \text{(366 if leap year)} \end{array} \\ & & & = 563 \quad \underline{77,942.} \\ & & & \text{Transfer to 543 and complete} \\ & & & \text{the return from that point} \end{array}$$

ating taxation year, refer to Guide.

Capital Tax before application of specified credits	=	543	77,942.
Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide)	-	546	0.
Capital Tax 543 - 546 (amount cannot be negative)	=	550	77,942.

Transfer to Page 17

Capital Tax continued from Page 12**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 12, and complete the return from that point.

I.2. Other than Credit Unions

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

$$\begin{array}{l} \text{565 } 0. \times 0.6\% \times \text{From } 30 \text{ Ontario Allocation } \% \times \text{555 } 0 + \text{Days in taxation year } 0 \text{ (366 if leap year)} = + \text{569 } 0. \\ \text{Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1} \end{array}$$

$$\begin{array}{l} \text{570 } 0. \times \text{571 } 0.00\% \times \text{From } 30 \text{ Ontario Allocation } \% \times \text{555 } 0 + \text{Days in taxation year } 0 \text{ (366 if leap year)} = + \text{574 } 0. \\ \text{Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount} \end{array}$$

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

** 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.)

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

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

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

Transfer to **543** on Page 12

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

$$\text{(1) Uninsured Benefits Arrangements} \dots\dots\dots \text{587 } 0. \times 2\% = \text{588 } 0.$$

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.

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

$$\text{Premium Tax} \quad \text{588} - \text{589} = \text{590 } 0.$$

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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 1,052,950.

Transfer to Page 15

Add:

Federal capital cost allowance	601	1,639,246.
Federal cumulative eligible capital deduction	602	807.
Ontario taxable capital gain	603	0.
Federal non-allowable reserves. Balance beginning of year	604	850,783.
Federal allowable reserves. Balance end of year	605	0.
Ontario non-allowable reserves. Balance end of year	606	871,102.
Ontario allowable reserves. Balance beginning of year	607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608	0.
Federal resource allowance	609	0.
Federal depletion allowance	610	0.
Federal foreign exploration and development expenses	611	0.
Management fees, rents, royalties and similar payments to non-arm's length non-residents		

Number of Days in Taxation Year

Days after Sept. 30, 2001 and before Jan. 1, 2004		Total Days
612 0. x 5 + 12.5000 x	33 365 + 73 365	= 633 0.
Days after Dec. 31, 2003		Total Days
612 0. x 5 + 14.0000 x	34 0 + 73 365	= 634 0.

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

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

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

Federal allowable business investment loss + 620 0.

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

Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 = 3,361,938. 640 3,361,938.

Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	650	2,023,622.
Ontario cumulative eligible capital deduction	651	807.
Federal taxable capital gain	652	0.
Ontario non-allowable reserves. Balance beginning of year	653	850,783.
Ontario allowable reserves. Balance end of year	654	0.
Federal non-allowable reserves. Balance end of year	655	871,102.
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 current cost adjustment (Attach schedule)	661	0.
Incentive for new electricity supply (section 13.6 deduction from income) (Applies only to electrical generating corporations.)	674	0.
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	675	0.
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	3,746,314.

Transfer to Page 15

continued on Page 15

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

(continued from Page 14)

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 From + **600** 1,052,950.

Total of Additions From = **640** 3,361,938.

Sub Total of deductions on page 14 From = **681** 3,746,314.

Deduct:**Ontario New Technology Tax Incentive (ONTTI) Gross-up**

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

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

..... **662** 0.**ONTTI Gross-up deduction calculation:**

Gross-up of CCA

From **662** 0. x $\frac{100}{\text{From } 30 \text{ } 100.0000}$ - From **662** 0. = **663** 0.

Ontario Allocation

Workplace Child Care Tax Incentive

Qualifying expenditures: **665** 0. x 30.00% x $\frac{100}{\text{From } 30 \text{ } 100.0000}$ = **666** 0.

Ontario Allocation

Workplace Accessibility Tax Incentive

Qualifying expenditures: **667** 0. x 100.00% x $\frac{100}{\text{From } 30 \text{ } 100.0000}$ = **668** 0.

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: **670** 0. x 30.00% x $\frac{100}{\text{From } 30 \text{ } 100.0000}$ = **671** 0.

Ontario Allocation

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

Qualifying expenditures: **672** 0. x 15.00% x $\frac{100}{\text{From } 30 \text{ } 100.0000}$ = **673** 0.

Ontario Allocation

Ontario allowable business investment loss..... + **678** 0.**Ontario Scientific Research Expenses claimed in year in** **477**

from Ont. CT23 Schedule 161

..... + **679** 0.**Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003)**..... + **677** 0.**Total of other deductions allowed by Ontario (Attach schedule)**..... + **664** 0.

Total of Deductions **681** + **663** + **666** + **668** + **671** + **673** + **678** + **679** + **677** + **664** .. = 3,746,314. **680** 3,746,314.

Net income (loss) for Ontario Purposes

600 + **640** - **680** = **690** 668,574.

Transfer to Page 4

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 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	0	0	0	0	0	0
	705		725	735	745	
Expired during the year	0		0	0	0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	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.
- (4) 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) Commencing 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 at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1994-12-31				850	870
801 8th preceding taxation year 1995-12-31				851	871
802 7th preceding taxation year 1996-12-31				852	872
803 6th preceding taxation year 1997-12-31	820	830	840	853	873
804 5th preceding taxation year 1998-12-31	821	831	841	854	874
805 4th preceding taxation year 1999-12-31	822	832	842	855	875
806 3rd preceding taxation year 2000-12-31	823	833	843	856	876
807 2nd preceding taxation year 2001-12-31	824	834	844	857	877
808 1st preceding taxation year 2002-12-31	825	835	845	858	878
Current taxation year 2003-12-31	826	836	846	859	879
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 loss carried back.

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

Summary

Income tax	+ From 230 or 320	77,440.
Corporate Minimum Tax	+ From 280	0.
Capital Tax	+ From 550	77,942.
Premium Tax	+ From 590	0.
Total Tax Payable	= 950	155,382.
Subtract: Payments	- 960	155,382.
Capital Gains Refund (s.48)	- 965	0.
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- 985	0.
Specified Tax Credits (Refer to Guide)	- 955	0.
Other (specify)	-	0.
Balance	= 970	0.
If payment due	Enclosed * 990	0.
If overpayment: Refund (Refer to Guide)	.. = 975	0.
Apply to	year month day 980	0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the Minister of Finance and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. (Refer to Guide for other payment methods.)

Certification

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

Name (please print)

James Keech

Title

President

Full Residence Address

ON

Signature

Date

2005-06-22

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

Tax depreciation - 2001	175,963.00
Tax depreciation - 2002	2,056,032.00
Tax depreciation - 2003	2,023,622.00
	0.00
Accounting amortization - 2001	-326,786.00
Accounting amortization - 2002	-1,407,252.00
Accounting amortization - 2003	-1,472,142.00
	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	----- 1,049,437.00 =====

Kingston Electricity Distribution Limited

1800263

2003-12-31

CT23 Schedule A

Page 18 of 24

DOLLARS ONLY

Corporate Minimum Tax - Schedule A: Calculation of CMT Base



3 - 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] 775,176.

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

Provision for recovery of income taxes / benefit of current income taxes	.....	+	2101	0.
Provision for deferred income taxes (credits) / benefit of future income taxes	.....	+	2102	0.
Equity income from corporations	.....	+	2103	0.
Share of partnership(s)/joint venture(s) income	.....	+	2104	0.
Dividends received/receivable deductible under fed.s.112	.....	+	2105	0.
Dividends received/receivable deductible under fed.s.113	.....	+	2106	0.
Dividends received/receivable deductible under fed.s.83(2)	.....	+	2107	0.
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1)	0. x 9/3	+	2108	0.

Subtotal = 0. [2109] 0.

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

Provision for current taxes / cost of current income taxes	+	[2110]	442,870.
Provision for deferred income taxes (debits) / cost of future income taxes	+	[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 s.57.4(1.1) (excluding dividends under fed.s.137(4.1))

Subtotal = 442,870. [2114] 0. [2115] 442,870.

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

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

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

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

Subtotal (Additions) = 0. [2122] 0. or - [2123] 0. [2124] 0. or - [2125] 0. [2126] 0. or - [2127] 0. [2150] 0.

Subtotal (Subtractions) = 0. [2128] 0. [2129] 0.

** Other adjustments + [2130] 0.

Subtotal ± [2100] - [2109] + [2115] + [2128] - [2129] ± [2130] = [2131] 1,218,046.

** 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 19.) = [2133] 1,218,046.

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

* CMT losses: other eligible losses + [2211] 0.

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

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

CMT Base = [2135] 1,218,046.

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 ☐ Yes Wind-up (x) 2206 ☐ Yes

Subtotal = 0 + 2207 0.

Adjustments (attach schedule) + 2208 0.

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

Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income + 2210 0.

Other eligible losses utilized during the year to reduce adjusted net income (4) .. + 2211 0.

Losses expired during the year + 2212 0.

Subtotal = 0 - 2213 0.

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

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 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	9th preceding taxation year 1994-12-31	2260 0	2280 0
2241	8th preceding taxation year 1995-12-31	2261 0	2281 0
2242	7th preceding taxation year 1996-12-31	2262 0	2282 0
2243	6th preceding taxation year 1997-12-31	2263 0	2283 0
2244	5th preceding taxation year 1998-12-31	2264 0	2284 0
2245	4th preceding taxation year 1999-12-31	2265 0	2285 0
2246	3rd preceding taxation year 2000-12-31	2266 0	2286 0
2247	2nd preceding taxation year 2001-12-31	2267 0	2287 0
2248	1st preceding taxation year 2002-12-31	2268 0	2288 0
	Current taxation year 2003-12-31	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] ☐ Yes Wind-up (x) [2304] ☐ 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	9th preceding taxation year 1994-12-31	[2360] 0	[2380] 0
2341	8th preceding taxation year 1995-12-31	[2361] 0	[2381] 0
2342	7th preceding taxation year 1996-12-31	[2362] 0	[2382] 0
2343	6th preceding taxation year 1997-12-31	[2363] 0	[2383] 0
2344	5th preceding taxation year 1998-12-31	[2364] 0	[2384] 0
2345	4th preceding taxation year 1999-12-31	[2365] 0	[2385] 0
2346	3rd preceding taxation year 2000-12-31	[2366] 0	[2386] 0
2347	2nd preceding taxation year 2001-12-31	[2367] 0	[2387] 0
2348	1st preceding taxation year 2002-12-31	[2368] 0	[2388] 0
	Current taxation year 2003-12-31	[2369] 0	[2389] 0
Totals		[2370] 0	[2390] 0

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

Calculation of Tax Rates for the

- Incentive Deduction for Small Business Corporations (IDSBC)
- Small Business Tax Credit (S.41)
- Surtax on Canadian-controlled Private Corporations (s.41.1)

1. Calculation of IDSBC Rate

Number of Days In Taxation Year

7.00%	x	Days after December 31, 1998 and before January 1, 2000 0	/	Total Days 365	=	.0000%
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7.50%	x	Days after Dec 31, 1999 and before Jan 1, 2001 0	/	Total Days 365	=	.0000%
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7.50%	x	Days after Dec 31, 2000 and before Oct 1, 2001 0	/	Total Days 365	=	.0000%
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6.50%	x	Days after Sept 30, 2001 and before Jan 1, 2003 0	/	Total Days 365	=	.0000%
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7.00%	x	Days after Dec 31, 2002 and before Jan 1, 2004 365	/	Total Days 365	=	7.0000%
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8.50%	x	Days after Dec 31, 2003 0	/	Total Days 365	=	.0000%
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IDSBC Rate for the Taxation Year	=	7.0000%
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2. Calculation of Specified Rate for Surtax

Number of Days In Taxation Year

4.67%	x	Days after Dec 31, 1998 and before Jan 1, 2000 0	/	Total Days 365	=	.0000%
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5.00%	x	Days after Dec 31, 1999 and before Jan 1, 2001 0	/	Total Days 365	=	.0000%
-------	---	--	---	-------------------	---	--------

5.00%	x	Days after Dec 31, 2000 and before Oct 1, 2001 0	/	Total Days 365	=	.0000%
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4.3330%	x	Days after Sept 30, 2001 and before Jan 1, 2003 0	/	Total Days 365	=	.0000%
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4.6670%	x	Days after Dec 31, 2002 and before Jan 1, 2004 365	/	Total Days 365	=	4.6670%
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4.6670%	x	Days after Dec 31, 2003 0	/	Total Days 365	=	.0000%
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Specified Rate of Surtax for the Taxation Year					=	4.6670%
						=====



Corporate Minimum Tax - Associated Corporations

Transfer to 250
of the CT23



Company's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Kingston Electricity Distribution Limited	1800263	2003-12-31

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

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver 2-2004

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

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 (under-precipitated capital cost)	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 minus column 4)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)	Reduced undepreciated capital cost (column 6 minus column 7)	CCA rate %	Recapture of capital cost allowance	Terminal loss	Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
3	455,317	0	0	0	455,317	0	455,317	5	0	0	22,766	432,551
1	4,366,382	78,093	-1,200	0	4,443,275	39,046	4,404,229	4	0	0	176,169	4,267,106
1	2,405,107	0	0	0	2,405,107	0	2,405,107	4	0	0	96,204	2,308,903
1	2,246,284	399,747	-4,221	0	2,641,810	199,873	2,441,937	4	0	0	97,677	2,544,133
1	6,628,912	564,840	-1,070	0	7,192,682	282,420	6,910,262	4	0	0	276,410	6,916,272
1	1,939,863	359,602	-6,050	0	2,293,415	179,801	2,113,614	4	0	0	84,545	2,208,870
10	1,060,892	0	0	0	1,060,892	0	1,060,892	30	0	0	318,268	742,624
8	217,857	117,297	0	0	335,154	58,648	276,506	20	0	0	55,301	279,853
8	75,216	0	0	0	75,216	0	75,216	20	0	0	15,043	60,173
12	24,941	555	0	0	25,496	277	25,219	100	0	0	25,219	277
1	2,729,557	24,494	0	0	2,754,051	12,247	2,741,804	4	0	0	109,672	2,644,379
12	130,888	46,713	0	0	177,601	23,356	154,245	100	0	0	154,245	23,356
10	47,087	0	0	0	47,087	0	47,087	30	0	0	14,126	32,961
12	1,465,513	0	0	0	1,465,513	0	1,465,513	100	0	0	574,244	891,269
10	0	24,885	0	0	24,885	12,442	12,443	30	0	0	3,733	21,152
total	23,793,816	1,616,226	-12,541	0	25,397,501	808,110	24,589,391	0	0	0	2,023,622	23,373,879

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

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 (underpreciated capital cost at the end of the prior year's CCA schedule)	Cost of acquisitions during the year (new property must be available for use)	Net (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Ontario 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)
Total	23,793,816	1,616,226	-12,541	0	25,397,501	808,110	24,589,391		0	0	2,023,622	23,373,879
								Enter in boxes	[650]	[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 Kingston Electricity Distribution Limited	Ontario Corporations Tax Account No. (MOF) 1800263	Taxation Year End 2003-12-31
--	---	--

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

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

Ontario Cumulative eligible capital – balance at end of preceding taxation year (if negative, enter zero) **11,527^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 = **11,527^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 = **11,527^K**
If K is negative, enter zero at line M and proceed to Part 2

Current year deduction **11,527^K** X 7.00% * = **807^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) = **10,720^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** **0⁵**
Total lines 1 + 2 + 5 **0⁶**
Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000 **0⁷**
Deduct line 7 from line 6 **0** **0⁸**
N – O (cannot be negative) **0^P**
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

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Kingston Electricity Distribution Limited	1800263	2003-12-31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

[illegible]

Transfer to box **540** of the CT23