



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

Account No.
1800263

35
PX5003

KINGSTON ELECTRICITY DISTRIBUTION LIMITED
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)

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Payment Amount: \$

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

Taxation Year End: (YYYYMMDD)

2	0	0	4	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 Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2004/01/01 to 2004/12/31

KINGSTON ELECTRICITY DISTRIBUTION LIMITED

ASSESSMENT NO. 69

Account No.

1800263

Assessment Date

(year, month, day)
2005/08/30

Page

1 of 1

Tax: Federal and Provincial PIL
Assessment Interest

Total Assessment Liability

340,748.00
1,215.12CR
339,532.88

SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

448,740.00CR

Sub-Total

CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR

448,740.00CR
109,207.12CR

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

pd.



Ontario

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 Blvd.			This CT23 Return covers the Taxation Year		
Kingston ON CA K7L-4X7			Start <input type="text" value="2004-01-01"/>		
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes			End <input type="text" value="2004-12-31"/>		
Date of Change <input type="text" value="year month day"/>			Date of Incorporation or Amalgamation		
Registered/Head Office Address 1211 John Counter Blvd.			<input type="text" value="2000-09-19"/>		
Kingston ON CA K7L-4X7			Ontario Corporation No. (MCBS) 1425446		
Location of Books and Records 1211 John Counter Blvd.			Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.		
Kingston ON CA K7L-4X7			<input type="text" value="866529399RC0001"/>		
Name of person to contact regarding this CT23 Return Randy Murphy		Telephone No. 613-546-1181	Fax No. 613-542-1463	Jurisdiction Incorporated Ontario	
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS)			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:		
ON CA -			Commenced <input type="text" value="year month day"/>		
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MCBS)			Ceased <input type="text" value="year month day"/>		
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).			Preferred Language/Langue de préférence		
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).			<input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français		
No. of Schedule(s) <input type="text" value="0"/>			Ministry use		
<input checked="" type="checkbox"/> No Change					

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)

James Keech

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

2004-12-31

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	758,994.
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	758,994.
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	758,994.

Taxable Income		Number of Days in Taxation Year	
From 10 (or 20 if applicable)	758,994. X 30 100.0000 % X 12.5000% X	Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days
	Ontario Allocation	33 0 + 73	366
			= + 29 0.
From 10 (or 20 if applicable)	758,994. X 30 100.0000 % X 14.0000% X	Days after Dec. 31, 2003	Total Days
	Ontario Allocation	34 366 + 73	366
			= + 32 106,259.
Income Tax Payable (before deduction of tax credits)	29 + 32		= 40 106,259.

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	754,644.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	754,644.
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.
	=	754,644.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	54	754,644.
	55	250,000.

Ontario Business Limit Calculation

280,000 X	Days after Sept. 30, 2001 and before Jan. 1, 2003	** 366	= + 43	0.
320,000 X	Days after Dec. 31, 2002 and before Jan. 1, 2004	** 366	= + 46	0.
400,000 X	Days after Dec. 31, 2003	** 366	= + 47	400,000.
Business Limit for Ontario purposes	43 + 46 + 47	= 44	400,000. X	48 100.0000 % = 45 400,000.
Income eligible for the IDSBC	From 30	100.0000 % X	56	400,000. = 60 400,000.
**** 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

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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		
.....	6.50 %	28	0 + 73	366	= + 79 .0000
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
.....	7.00 %	31	0 + 73	366	= + 89 .0000
		Days after Dec. 31, 2003	Total Days		
.....	8.50 %	34	366 + 73	366	= + 90 8.5000

IDSBC Rate for Taxation Year 79 + 89 + 90 = 78 8.5000

Claim From 60 400,000. x From 78 8.5000 % = 70 34,000.

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

Surtax on Canadian-controlled private corporations (s.41.1)**Applies** if you have claimed the Incentive Deduction for Small Business Corporations.**** Short Taxation Years** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.**Associated Corporation** - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.**** Taxable Income of the corporation** From 10 (or 20 if applicable) + 80 758,994.**If you are a member of an associated group** (X) 81 ☒ (Yes)Name of associated corporation (Canadian & foreign)
(if insufficient space, attach schedule)Ontario Corporations Tax
Account No. (MOF)
(if applicable)

Taxation Year End

**** Taxable Income**
(if loss, enter nil)

See attached + 82 0.

..... + 83 .

..... + 84 .

Aggregate Taxable Income 80 + 82 + 83 + 84, etc. = 85 758,994.

Number of Days in Taxation Year

		Number of Days in Taxation Year			
		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
Subtract: 280,000	x	28	0 + 73	366	= + 113 0.
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
320,000	x	31	0 + 73	366	= + 115 0.
		Days after Dec. 31, 2003	Total Days		
400,000	x	34	366 + 73	366	= + 116 400,000.

113 + 115 + 116 = 400,000. - 114 400,000.

(If negative, enter nil) = 86 358,994.

Calculation of Specified Rate for Surtax

		Number of Days in Taxation Year			
		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
.....	4.3330 %	28	0 + 73	366	= + 95 .0000
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
.....	4.6670 %	31	0 + 73	366	= + 96 .0000
		Days after Dec. 31, 2003	Total Days		
.....	4.6670 %	34	366 + 73	366	= + 97 4.6670

Specified rate of surtax for Taxation Year 95 + 96 + 97 = 94 4.6670

From 86 358,994. x From 94 4.6670 % = 87 16,754.

From 87 16,754. x From 60 400,000. + From 114 400,000. = 88 16,754.

Surtax Lesser of 70 or 88 = 100 16,754

continued on Page 6

Kingston Electricity Distribution Limited

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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	400,000.
Add: Adjustment for Surtax on Canadian-controlled private corporations			
From 100 16,754. + From 30 100.0000% + From 78 8.5000% = 121 197,106.			
Lesser of 56 or 121	+	122	197,106.
120 - 56 + 122	=	130	0.
Taxable Income	+	From 10	758,994.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	-	From 56	400,000.
Add: Adjustments for Surtax on Canadian-controlled private corporations	+	From 122	197,106.
Subtract: Taxable Income 10 758,994. x Allocation % to jurisdictions outside Canada .0000%	-	140	0.
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	-	141	0.
10 - 56 + 122 - 140 - 141	=	142	556,100.

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	= 154 0.
Lesser of 130 or 142	33 0 + 73 366		
143 0. x From 30 100.0000% x 2.0000% x	Days after Dec. 31, 2003	Total Days	= 156 0.
Lesser of 130 or 142	34 0 + 73 366		

M&P claim for taxation year 154 + 156 = 160 0.

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

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161 0.**Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity** = 162 0.**Credit for Foreign Taxes Paid (s.40)****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 89,013.

continued on Page 7

Kingston Electricity Distribution Limited

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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)**No. of Graduates From **6596**

Applies to employment of eligible unemployed post secondary graduate.

194 0Eligible Credit From **6598** Summary Schedule G + **195** 0.**Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)**

Applies to qualifying expenditures in respect of eligible literary works by 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** 89,013.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

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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] 43,524,138.
 * Total Revenue of the corporation + [241] 57,313,497.

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] + [244]

..... + [245] + [246]

..... + [247] + [248]

Aggregate Total Assets [240] + [243] + [245] + [247], etc. = [249] 43,524,138.

Aggregate Total Revenue [241] + [244] + [246] + [248], etc. = [250] 57,313,497.

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] 1,117,143. X From [30] 100.0000 % X 4.0000 % = [276] 44,686.
 If negative, enter zero Ontario Allocation

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

Subtract: Income Tax - From [190] 89,013.

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] 89,013.

Gross CMT Payable + From [276] 44,686.

Subtract: Foreign Tax Credit for CMT purposes - From [277] 0.

If [276] - [277] is negative, enter NIL in [290] = 44,686. - [290] 44,686.

Income Tax eligible for CMT Credit = [300] 44,327.

B. Income Tax (after deduction of specified credits) + From [230] 89,013.

Subtract: CMT credit used to reduce income taxes - [310] 0.

Income Tax = [320] 89,013.

Transfer to page 17

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

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

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Capital Tax (Refer to Guide 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)	+	<input type="checkbox"/> 350	12,380,617.
Retained earnings (if deficit, deduct) (Int.B. 3012)	±	<input type="checkbox"/> 351	982,998.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	+	<input type="checkbox"/> 352	2,477,763.
Loans and advances (Attach schedule) (Int.B. 3013)	+	<input type="checkbox"/> 353	15,285,370.
Bank loans (Int.B. 3013)	+	<input type="checkbox"/> 354	3,000,000.
Bankers acceptances (Int.B. 3013)	+	<input type="checkbox"/> 355	0.
Bonds and debentures payable (Int.B. 3013)	+	<input type="checkbox"/> 356	0.
Mortgages payable (Int.B. 3013)	+	<input type="checkbox"/> 357	0.
Lien notes payable (Int.B. 3013)	+	<input type="checkbox"/> 358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+	<input type="checkbox"/> 359	890,190.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+	<input type="checkbox"/> 360	0.
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012)	+	<input type="checkbox"/> 361	-1,363,447.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	+	<input type="checkbox"/> 362	0.
Subtotal	=	<input type="checkbox"/> 370	33,653,491.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	-	<input type="checkbox"/> 371	0.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	-	<input type="checkbox"/> 372	0.
Total Paid-up Capital	=	<input type="checkbox"/> 380	33,653,491.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	-	<input type="checkbox"/> 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	-	<input type="checkbox"/> 382	0.
Net Paid-up Capital	=	<input type="checkbox"/> 390	33,653,491.

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)	+	<input type="checkbox"/> 402	0.
Mortgages due from other corporations	+	<input type="checkbox"/> 403	0.
Shares in other corporations (certain restrictions apply) (Refer to Guide)	+	<input type="checkbox"/> 404	0.
Loans and advances to unrelated corporations	+	<input type="checkbox"/> 405	0.
Loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	+	<input type="checkbox"/> 406	500,000.
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	+	<input type="checkbox"/> 407	0.
Total Eligible Investments	=	<input type="checkbox"/> 410	500,000.

continued on Page 10

Other Reserves

		-175,963.00
2001 Tax CCA		-2,056,032.00
2002 Tax CCA		-2,023,622.00
2003 Tax CCA		-1,773,732.00
2004 Tax CCA		326,786.00
2001 Acctng depn		1,407,252.00
2002 Acctng depn		1,472,142.00
2003 Acctng depn		1,459,722.00
2004 Acctng depn		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		-1,363,447.00

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

Total Assets per balance sheet	+	420	43,524,138.
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	43,524,138.
Amounts in 360 and 361 (if deducted from assets)	+	440	233,808.
Subtract: Amounts in 371, 372 and 381	-	441	0.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	43,757,946.

Investment Allowance	(410 + 450) × 390	Not to exceed 410	= 460	384,541.
Taxable Capital	390 - 460		= 470	33,268,950.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	57,313,497.
Total Assets (as adjusted)	From 430	43,524,138.

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. | × From 30 | 100.0000% | × | .3000% | × | 555 | 366 |
| | | | | Ontario Allocation | | | | ** 366 | |
| | | | | | | | | (366 if leap year) | |
| | | | | | | | | | Transfer to 543 on page 12 and complete the return from that point |

** If floating taxation year, refer to Guide.

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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

.....	.....	.....	+ 531	0.
.....	.....	.....	+ 532	.....
.....	.....	.....	+ 533	.....
Aggregate Taxable Capital 470 + 531 + 532 + 533 , etc. ....	.....	.....	= 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.
Transfer to **542** in Section D on page 12

s.69(2.1) Election Filed

☒ **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 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.

I. 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)

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

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

+ 600 754,644.

Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	1,755,646.
Federal cumulative eligible capital deduction	+ 602	750.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	871,102.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	890,190.
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
33	0 + 73 366

612 0. x 5 + 12.5000 x 33 0 + 73 366 = + 633 0.

Days after Dec. 31, 2003	Total Days
34	366 + 73 366

612 0. x 5 + 14.0000 x 34 366 + 73 366 = + 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 = 3,517,688. 640 3,517,688.

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Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	1,751,296.
Ontario cumulative eligible capital deduction	+ 651	750.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	871,102.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	890,190.
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	3,513,338.

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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 + 600 754,644.

Total of Additions From = 640 3,517,688.

Sub Total of deductions on page 14 From = 681 3,513,338.

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:

From Gross-up of CCA
662 0. x 100
 From 30 100.0000 - From 662 0. = 663 0.
 Ontario Allocation

Workplace Child Care Tax Incentive

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

Workplace Accessibility Tax Incentive

Qualifying expenditures: 667 0. x 100.00% x 100
 From 30 100.0000 = 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 100
 From 30 100.0000 = 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 100
 From 30 100.0000 = 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 .. = 3,513,338. 680 3,513,338.

Net income (loss) for Ontario Purposes 600 + 640 - 680 = 690 758,994.
 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
Expired during the year	705		725	735	745	
	0		0	0	0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 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:

- Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- 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.
- Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
to the extent of applicable gains/income/at-risk amount only.
- Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- Amount in 709 must equal total of 829 + 839.
- 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.
- 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 1995-12-31				850	870
				0	0
801 8th preceding taxation year 1996-12-31				851	871
				0	0
802 7th preceding taxation year 1997-12-31				852	872
				0	0
803 6th preceding taxation year 1998-12-31	820	830	840	853	873
	0	0	0	0	0
804 5th preceding taxation year 1999-12-31	821	831	841	854	874
	0	0	0	0	0
805 4th preceding taxation year 2000-12-31	822	832	842	855	875
	0	0	0	0	0
806 3rd preceding taxation year 2001-12-31	823	833	843	856	876
	0	0	0	0	0
807 2nd preceding taxation year 2002-12-31	824	834	844	857	877
	0	0	0	0	0
808 1st preceding taxation year 2003-12-31	825	835	845	858	878
	0	0	0	0	0
809 Current taxation year 2004-12-31	826	836	846	859	879
	0	0	0	0	0
Total	829	839	849	869	889
	0	0	0	0	0

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more taxation years under s.80(16) with respect to one or more types of losses 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	911 0	921 0	931 0	941 0
ii) 2nd preceding 902	912 0	922 0	932 0	942 0
iii) 1st preceding 903	913 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 0	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320	89,013.
Corporate Minimum Tax	+ From 280	0.
Capital Tax	+ From 550	84,807.
Premium Tax	+ From 590	0.
Total Tax Payable	= 950	173,820.
Subtract: Payments	- 960	641,812.
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	-467,992.
If payment due	Enclosed * 990	0.
If overpayment: Refund (Refer to Guide)	.. = 975	467,992.
Apply to year month day	980	0.

* 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.

Other Reserves

2001	Tax CCA	-175,963.00
2002	Tax CCA	-2,056,032.00
2003	Tax CCA	-2,023,622.00
2004	Tax CCA	-1,773,732.00
2001	Acctng depn	326,786.00
2002	Acctng depn	1,407,252.00
2003	Acctng depn	1,472,142.00
2004	Acctng depn	1,459,722.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
Total		-1,363,447.00

Kingston Electricity Distribution Limited

1800263

2004-12-31

Corporate Minimum Tax - Schedule A:



DOLLARS ONLY

Calculation of CMT Base

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] 13,464.

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]	340,750.
Provision for deferred income taxes (debits) / cost of future income taxes	.....	+	[2111]	0.
Equity losses from corporations	.....	+	[2112]	762,929.
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))	.....	+	[2114]	0.

Subtotal = 1,103,679. [2115] 1,103,679.

Add/Subtract:

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

** Fed.s.85	.....	+	[2116]	0.	or -	[2117]	0.
** Fed.s.85.1	.....	+	[2118]	0.	or -	[2119]	0.
** Fed.s.97	.....	+	[2120]	0.	or -	[2121]	0.
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	.....	+	[2122]	0.	or -	[2123]	0.
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	.....	+	[2124]	0.	or -	[2125]	0.
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	.....	+	[2126]	0.	or -	[2127]	0.
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income	.....	-	[2150]	0.			

Subtotal (Additions) = 0. [2128] 0.

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

** Other adjustments + [2130] 0.

Subtotal ± [2100] - [2109] + [2115] + [2128] - [2129] ± [2130] = [2131] 1,117,143.

** 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] 1,117,143.

Deduct: * CMT losses: pre-1994 Loss	.....	+	From [2210]	0.
* CMT losses: other eligible losses	.....	+	[2211]	0.
		=	0.	[2134] 0.

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

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

CMT Base = [2135] 1,117,143.

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 1995-12-31	[2260] 0	[2280] 0
[2241]	8th preceding taxation year 1996-12-31	[2261] 0	[2281] 0
[2242]	7th preceding taxation year 1997-12-31	[2262] 0	[2282] 0
[2243]	6th preceding taxation year 1998-12-31	[2263] 0	[2283] 0
[2244]	5th preceding taxation year 1999-12-31	[2264] 0	[2284] 0
[2245]	4th preceding taxation year 2000-12-31	[2265] 0	[2285] 0
[2246]	3rd preceding taxation year 2001-12-31	[2266] 0	[2286] 0
[2247]	2nd preceding taxation year 2002-12-31	[2267] 0	[2287] 0
[2248]	1st preceding taxation year 2003-12-31	[2268] 0	[2288] 0
	Current taxation year 2004-12-31	[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 <input type="checkbox"/> Yes Wind-up (x) 2304 <input type="checkbox"/> Yes	.....		
Subtotal	.....	=	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.	-
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 1995-12-31	2360 0	2380 0
2341	8th preceding taxation year 1996-12-31	2361 0	2381 0
2342	7th preceding taxation year 1997-12-31	2362 0	2382 0
2343	6th preceding taxation year 1998-12-31	2363 0	2383 0
2344	5th preceding taxation year 1999-12-31	2364 0	2384 0
2345	4th preceding taxation year 2000-12-31	2365 0	2385 0
2346	3rd preceding taxation year 2001-12-31	2366 0	2386 0
2347	2nd preceding taxation year 2002-12-31	2367 0	2387 0
2348	1st preceding taxation year 2003-12-31	2368 0	2388 0
2349	Current taxation year 2004-12-31	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

	Days after December 31, 1998 and before January 1, 2000		Total Days	
7.00%	x 0	/	366	= .0000%

	Days after Dec 31, 1999 and before Jan 1, 2001		Total Days	
7.50%	x 0	/	366	= .0000%

	Days after Dec 31, 2000 and before Oct 1, 2001		Total Days	
7.50%	x 0	/	366	= .0000%

	Days after Sept 30, 2001 and before Jan 1, 2003		Total Days	
6.50%	x 0	/	366	= .0000%

	Days after Dec 31, 2002 and before Jan 1, 2004		Total Days	
7.00%	x 0	/	366	= .0000%

	Days after Dec 31, 2003		Total Days	
8.50%	x 366	/	366	= 8.5000%

IDSBC Rate for the Taxation Year	= 8.5000%
	=====

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 366	=	.0000%
5.00%	x	Days after Dec 31, 1999 and before Jan 1, 2001 0	/	Total Days 366	=	.0000%
5.00%	x	Days after Dec 31, 2000 and before Oct 1, 2001 0	/	Total Days 366	=	.0000%
4.3330%	x	Days after Sept 30, 2001 and before Jan 1, 2003 0	/	Total Days 366	=	.0000%
4.6670%	x	Days after Dec 31, 2002 and before Jan 1, 2004 0	/	Total Days 366	=	.0000%
4.6670%	x	Days after Dec 31, 2003 366	/	Total Days 366	=	4.6670%
Specified Rate of Surtax for the Taxation Year					=	4.6670%
						=====

Surtax on Canadian-Controlled Private Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Kingston Electricity Distribution Limited	1800263	2004-12-31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
1425445 Ontario Limited	1800292	2004-12-31	+
Corporation of the City of Kingston		2004-12-31	+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
Total			=

Transfer to 85 of the CT23



Corporate Minimum Tax - Associated Corporations

Transfer to 250 of the CT23

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Kingston Electricity Distribution Limited	1800263	2004-12-31

Loans or Advances Credited or Advanced to Corporation

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

Note payable to City of Kingston	+	12,380,619
Regulatory liabilities - post market opening retail settlement variances	+	2,853,871
Retailer deposits	+	50,880
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
Total	=	15,285,370
Transfer to 353 of the CT23		

Ontario Summary of Dispositions of Capital Property

Schedule 6

- For a corporation that has disposed of capital property or claimed an allowable business investment loss, or both, in the taxation year.
- This schedule may be used to make a designation under section 34(10) of the "Corporations Tax Act" provided the corporation has made a designation under paragraph 111(4)(e) of the "Income Tax Act" (Canada), if control of the corporation has been acquired by a person or group of persons.

Period 1: Dispositions before February 28, 2000

Period 2: Dispositions after February 27, 2000 and before October 18, 2000

Period 3: Dispositions after October 17, 2000

Part A: Designation under section 34(10) of the "Corporations Tax Act"

Complete part A if there are any dispositions shown on this schedule related to deemed dispositions designated under paragraph 111(4)(e) of the "Income Tax Act" (Canada) or section 34(10) of

the "Corporations Tax Act"? Yes/No [N]

If Yes, complete the following:

Property	Class number	Date of disposition YYYY/MM/DD	Proceeds of disposition	Adjusted cost base	Other adjustments	Designated amount	Gain or loss
			0	0	0	0	0
			0	0	0	0	0
			0	0	0	0	0
			0	0	0	0	0
			0	0	0	0	0
			=====	=====	=====	=====	=====

Part B: Inter-provincial asset transfers

Complete part B if there was any disposition shown on the schedule as a result of a federal election under section 85 of the "Income Tax Act" (Canada) that transferred assets to a non-arm's length corporation with

a permanent establishment in another Canadian jurisdiction? Yes/No [N]

If Yes, complete the following:

Property	Class number	Corporation name of transferee/or	Date of disposition YYYY/MM/DD	Cost of asset in other jurisdiction
				0
				0
				0
				0
				0
				=====
Name of other jurisdiction	Allocation ratio to other jurisdictions	Ontario elected amount	Gain or loss	
	.0000%	0	0	
	.0000%	0	0	
	.0000%	0	0	
	.0000%	0	0	
	.0000%	0	0	
		=====	=====	

Part 1 - Shares

Part 2 - Real estate ("Do not include losses on depreciable property")

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

1	2	3	4	5	6	
Types of capital property	Date of acquisition YYYY/MM/DD	Proceeds of disposition	Ontario adjusted cost base	Outlays and expenses	Ontario gains or (loss) (col. 3 less cols. 4 & 5)	Date of disp.

Part 3 - Bonds

Face value	Maturity date YYYY/MM/DD	Name of issuer	Gain (loss)		
0			0	0	0 3
0			0	0	0 3
0			0	0	0 3
0			0	0	0 3
		Totals	0	0	0 C
			=====		
			Gain (loss) on dispositions in period 1		
			0 C1		
			Gain (loss) on dispositions in period 2		
			0 C2		
			Gain (loss) on dispositions in period 3		
			0 C3		

Part 4 - Other properties - ("Do not include losses on depreciable property")

Gain or loss from a partnership	Gain (loss)		
	0	0	0 3
	0	0	0 3
	0	0	0 3
	0	0	0
	0	0	0
Totals	0	0	0 D
			=====
			Gain (loss) on dispositions in period 1
			0 D1
			Gain (loss) on dispositions in period 2
			0 D2
			Gain (loss) on dispositions in period 3
			0 D3

Part 5 - Personal- use property

Description of capital property	Gain only		
	0	0	0 3
	0	0	0 3
	0	0	0 3
	0	0	0 3
Note: Losses are not deductible.	0	0	0 E
Totals	0	0	0 E
			=====
			Gain on dispositions in period 1
			0 E1
			Gain on dispositions in period 2
			0 E2
			Gain on dispositions in period 3
			0 E3

1	2	3	4	5	6	
					Ontario gain or (loss) (col. 3 less cols. 4 & 5)	Date of disp.
Types of capital property	Date of acquisition YYYY/MM/DD	Proceeds of disposition	Ontario adjusted cost base	Outlays and expenses		

Part 6 - Listed personal property

Description				Gain (loss)		
		0	0	0	0	3
		0	0	0	0	3
		0	0	0	0	3
		0	0	0	0	3
Totals		0	0	0	0	
		=====	=====	=====	=====	
		Period 1	Period 2	Period 3		
Gain (or loss) on dispositions		0	0	0	0	
Subtract: Unapplied LPP losses from other years applicable to gain on dispositions		0	0	0	0	
Net gain (loss) on dispositions		0	0	0	0	F

Note: Net listed personal property losses may only be applied against personal property gains.

Part 7 - Property qualifying for and resulting in an allowable business investment loss

Name of small business corporation	Shares enter 1 Debt enter 2	Date of acquisition YYYY/MM/DD	Proceeds of disposition	Ontario adjusted cost base	Outlays and expenses	Ontario loss (col. 3 less (cols 4 & 5)	Date of disp.
	0		0	0	0	0	3
	0		0	0	0	0	3
	0		0	0	0	0	3
	0		0	0	0	0	3
Totals			0	0	0	0	G
			=====	=====	=====	=====	
					Loss on dispositions in period 1	0	G1
					Loss on dispositions in period 2	0	G2
					Loss on dispositions in period 3	0	G3

Note: Properties listed in Part 7 should not be included in any other Part of Schedule 6.

Determining capital gains and capital losses

	Period 1	Period 2	Period 3	
Gains or losses on dispositions (Total of amounts A to F, if amount F is a loss, do not include it)	0	0	0	0
Allowable business investment losses (G1, G2, G3)	0	0	0	
Gains or losses on dispositions (including ABIL)	0	0	0	
Add:				
Gain or loss from a partnership				0
Capital gains dividends received in the year	0	0	0	0
Capital gains reserve (Opening balance) Schedule 13	0	0	0	0
Subtotal	0	0	0	0
Less:				
Capital gains reserve (Closing balance) from Schedule 13 (note 1)	0	0	0	0
Deductible portion of gain on donations (including ecologically sensitive land)	0	0	0	
Gains (or losses)	0 H	0 I	0 J	0 Z

Note 1: Applicable to dispositions made in the period. Closing balance reserves from dispositions made in a previous taxation year need to be deducted in the period during which the taxation year begins.

Inclusion rate

	Gains or losses	Inclusion Rate		Net capital gain/capital loss
Amount from line I, period 1	0 H x	75.0000%	=	0 K
Amount from line I, period 2	0 I x	66.6667%	=	0 L
Subtotal (note 2)	0 M x	.0000%	=	0 AA
Amount from line I, period 3	0 J x	50.0000%	=	0 N
Total (note 3)	0 O			0 P
Inclusion rate for the year expressed as a decimal fraction (P divided by O)				50.000000% Q

Note 2
If one of either line H or line I is positive, and the other is negative, enter the difference (gain or loss) on the **subtotal** line. On the **inclusion rate** line, enter the inclusion rate applicable to the period from which the larger amount originates, and calculate the net gain or net loss at line **AA** based on that rate. In this case, it would not be necessary to calculate an amount at **K** and **L**. Otherwise, add lines **H** and **I**, and lines **K** and **L** for the subtotals. At the **inclusion rate** line between **M** and **AA**, enter the result of **M** divided by **AA**. This rate may be required in further calculations.

Note 3
If one of either line **M** or line **J** is positive, and the other is negative, enter the difference (gain or loss) on the total line. On the **inclusion rate** line, enter the inclusion rate applicable to the period from which the larger amount originates, and calculate the net gain or net loss at line **P** based on that rate. This could be the rate referred to at the end of note 2 above. In this case, it would not be necessary to calculate an amount at line **N**. Otherwise, add lines **M** and **J**, and lines **AA** and **N** for the totals.

Time Weighted Method for investment corporation or mutual fund corporation
Is the corporation a mutual fund corporation that wishes to use the time weighted method? [Y/N] N

Number of days in period 1	0	x	75.0000%	=	.0000%
Number of days in period 2	0	x	66.6667%	=	.0000%
Number of days in period 3	0	x	50.0000%	=	.0000%
Number of days in the taxation year	0				.000000%

Determination of taxable capital gains and allowable business investment losses

Amount from line Z 0 Z

Deduct:

Gain on donations of a share, debt obligation, or right
(included in amounts A to F) (note 4)

Before February 28, 2000	0			
After February 27, 2000 and before October 18, 2000	0			
After October 17, 2000	0			

	0	x	1/2	=
				0
Subtotal				0

Deduct:

Amount of gain on donations of ecologically sensitive land after February 27, 2000

After February 27, 2000 and before October 18, 2000	0			
After October 17, 2000	0			

	0	x	1/2	=
				0

Gains or Loss

Include 100% of the losses in box **711** of the CT23 0 R

Taxable capital gains (amount R x Inclusion rate)

Transfer to **603** of the CT23 0 S

Allowable business investment loss (line G x Inclusion rate)

Transfer to **678** of the CT23 0 G4
=====

Note 4:

Gain on donations of a share, debt obligation, or right listed on a prescribe stock exchange and amounts under paragraph 38(a.1) of the Act on (for donations made after February 18, 1997, and before the year 2002 to charities other than private foundations).

Portion of Gain or Loss from Foreign sources (100%) 0

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 (undepreciated capital cost at the end of the prior year's CCA schedule)	Cost of acquisitions during the year (new property must be available for use)	Net adjustments (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)	Reduced undepreciated capital cost (column 6 minus acquisitions column 7)	CCA rate %	Recapture of capital cost allowance	Terminal loss	Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
3	432,551	0	0	0	432,551	0	432,551	5	0	0	21,628	410,923
1	4,267,106	0	0	0	4,267,106	0	4,267,106	4	0	0	170,684	4,096,422
1	2,308,903	72,784	0	0	2,381,687	36,392	2,345,295	4	0	0	93,812	2,287,875
1	2,544,133	210,437	-4,218	0	2,750,352	105,218	2,645,134	4	0	0	105,805	2,644,547
1	6,916,272	1,322,989	-1,500	0	8,237,761	661,494	7,576,267	4	0	0	303,051	7,934,710
1	2,208,870	260,513	-786	0	2,468,597	130,256	2,338,341	4	0	0	93,534	2,375,063
10	742,624	0	0	0	742,624	0	742,624	30	0	0	222,787	519,837
8	279,853	74,956	0	0	354,809	37,478	317,331	20	0	0	63,466	291,343
8	60,173	0	0	0	60,173	0	60,173	20	0	0	12,035	48,138
12	277	2,829	0	0	3,106	1,414	1,692	100	0	0	1,692	1,414
1	2,644,379	33,759	0	0	2,678,138	16,879	2,661,259	4	0	0	106,450	2,571,688
12	23,356	0	0	0	23,356	0	23,356	100	0	0	23,356	0
10	32,961	0	0	55,397	0	0	0	30	22,436	0	0	0
12	891,269	0	0	343,363	547,906	0	547,906	100	0	0	547,906	0
10	21,152	1,001	0	0	22,153	500	21,653	30	0	0	6,496	15,657
13	0	20,602	0	0	20,602	10,301	10,301	0	0	0	1,030	19,572
total	23,373,879	1,999,870	-6,504	398,760	24,990,921	999,932	23,990,989	0	22,436	0	1,773,732	23,217,189

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Corporations Tax Branch
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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 (undepreciated capital cost at the end of the prior year's CCA schedule)	Cost of acquisitions during the year (new property must be available for use)	Net adjustments (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)	Reduced undepreciated capital cost (column 6 minus acquisitions column 7)	CCA rate %	Recapture of capital cost allowance	Terminal loss	Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)

See note 1 below

See note 2 below

Total	23,373,879	1,999,870	-6,504	398,760	24,990,921	999,932	23,990,989		22,436	0	1,773,732	23,217,189
								Enter in boxes	[650]	[650]	[650]	on the CT23

- Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).
- Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.
- Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.
- Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.



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Ontario Cumulative Eligible Capital Deduction Schedule 10

(For taxation years 2000 and later)

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Kingston Electricity Distribution Limited	1800263	2004-12-31

- 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) 10,720^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 = 10,720^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 = 10,720^K

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

Current year deduction 10,720^K X 7.00%* = 750^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) = 9,970^M

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

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

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

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

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

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

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

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

Line 3 deduct line 4 0

Total lines 1 + 2 + 5 0⁵

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

Deduct line 7 from line 6 0⁷

N - O (cannot be negative) 0⁸

Amount on line 5 0 X 1/2 0⁹

P - Q 0¹⁰

Amount on line R 0 X 2/3* 0¹¹

Lesser of line N or line O 0¹²

Amount to be included in income S + T 0¹³

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



2003 Capital Tax Election of Associated Group Agreement for Allocation of \$5,000,000 Exemption

CT23 SCHEDULE 591

Applies to taxation years ending in the 2003 calendar year.

The following associated group of corporations includes all the corporations in this associated group (excluding financial institutions and corporations exempt from corporate tax) having a permanent establishment in Canada and are hereby making an election under subsection 69(2.1) of the *Corporation Tax Act* to allocate the tax effect (maximum of \$15,000) from the group's \$5,000,000 exemption from taxable paid-up capital for all taxation years which end in the 2003 calendar year, based on each corporation's total assets and Ontario allocation factor from each corporation's last taxation year ending in the 2002 calendar year.

Corporation having a permanent establishment in Canada	Last taxation year ending in 2002 calendar	Ontario Allocation A	Total Assets T	Net Deduction A x [\$15,000 x (T + X)] ND	Allocation of Net Deduction AND
Corporation Tax Account Number (if applicable) 1800263	Year Month Day 2003-12-31	100.0000	40,261,620	15,000	995 15,000
Corporation Name Kingston Electricity Distribution Limited					
Authorized signing officer Title President					
Name James Keech					
Signature					
Corporation Tax Account Number (if applicable) 1800292	Year Month Day 2003-12-31				995
Corporation Name 1425445 Ontario Limited					
Authorized signing officer Title President					
Name James Keech					
Signature					
Corporation Tax Account Number (if applicable)	Year Month Day 2003-12-31				995
Corporation Name Corporation of the City of Kingston					
Authorized signing officer Title Manager of Finance					
Name Gerard Hunt					
Signature					
Corporation Tax Account Number (if applicable)	Year Month Day				995
Corporation Name					
Authorized signing officer Title					
Name					
Signature					
Corporation Tax Account Number (if applicable)	Year Month Day				995
Corporation Name					
Authorized signing officer Title					
Name					
Signature					

Assets of Associated Group having permanent establishments in Canada x 40,261,620 959

Total Net Deductions of Associated Group having permanent establishments in Canada TND 15,000 994

Total Allocated Net Deductions of Associated Group having permanent establishments in Canada TAND 15,000



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

Schedule CT21

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.

Transfer to box **540** of the CT23