

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the *T2 Corporation - Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

055 Do not use this area

Identification

Business Number (BN) 001 86652 9399 RC0001

Corporation's name

002 Kingston Electricity Distribution Limited

Has the corporation changed its name since the last time we were notified? 003 1 Yes ☐ 2 No ☒If Yes, do you have a copy of the articles of amendment? ... 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? 010 1 Yes ☐ 2 No ☒

011 1211 John Counter Blvd.

City Province, territory, or state

015 Kingston

016 ON

Country (other than Canada) Postal code/ZIP code

017 018 K7L 4X7

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? 020 1 Yes ☐ 2 No ☒

021 c/o Randy Murphy

023 1211 John Counter Blvd.

City Province, territory, or state

025 Kingston

026 ON

Country (other than Canada) Postal code/ZIP code

027 028 K7L 4X7

Location of books and records

Has the location of books and records changed since the last time we were notified? 030 1 Yes ☐ 2 No ☒

031 1211 John Counter Blvd.

City Province, territory, or state

035 Kingston

036 ON

Country (other than Canada) Postal code/ZIP code

037 038 K7L 4X7

040 Type of corporation at the end of the taxation year

- 1 ☒ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation
- 2 ☐ Other private corporation 5 ☐ Other corporation (specify, below)
- 3 ☐ Public corporation

If the type of corporation changed during the taxation year, provide the effective date of the change 043

YYYY MM DD

CLIENT'S COPY

To which taxation year does this return apply?

Taxation year start Taxation year end
060 2005-01-01 061 2005-12-31
YYYY MM DD YYYY MM DDHas there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒

If Yes, provide the date control was acquired 065

YYYY MM DD

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? 070 1 Yes ☐ 2 No ☒
Amalgamation? 071 1 Yes ☐ 2 No ☒

If Yes, complete lines 030 to 038 and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? 072 1 Yes ☐ 2 No ☒

If Yes, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? 076 1 Yes ☐ 2 No ☒Is this the final return up to dissolution? 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If No, give the country of residence on line 081 and complete and attach Schedule 97.081 Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes ☐ 2 No ☒

If Yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

- 085 1 ☐ Exempt under paragraph 149(1)(e) or (l)
- 2 ☐ Exempt under paragraph 149(1)(j)
- 3 ☐ Exempt under paragraph 149(1)(t)
- 4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091 092 093 094 095 096

Attachments**Financial statement information:** Use GIFI schedules 100, 125, and 141.**Schedules** – Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Does the corporation have any non-resident shareholders?	151		19
Is the corporation an associated Canadian-controlled private corporation?	160	X	23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	X	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210	X	10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming reserves of any kind?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the corporation subject to gross Part I.3 tax?	233		33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax?	255		92 *

* We do not print this schedule.

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256	<input type="checkbox"/>	T1134-A
Did the corporation have any controlled foreign affiliates?	258	<input type="checkbox"/>	T1134-B
Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	259	<input type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust?	260	<input type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261	<input type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262	<input type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263	<input type="checkbox"/>	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264	<input type="checkbox"/>	T1174

Additional information

Is the corporation inactive?	280	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter Yes for first-time filers)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (Only complete if Yes was entered at line 281.)	282		
If the major business activity involves the resale of goods, show whether it is wholesale or retail	283	1 Wholesale <input type="checkbox"/>	2 Retail <input type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284 Electricity	285 100.000 %	
	286	287 %	
	288	289 %	
Did the corporation immigrate to Canada during the taxation year?	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

Taxable income

Income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL	300	1,036,793	A
Deduct: Charitable donations from Schedule 2	311		
Gifts to Canada, a province, or a territory from Schedule 2	312		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction from Schedule 43 *	325		
Non-capital losses of preceding taxation years from Schedule 4	331		
Net capital losses of preceding taxation years from Schedule 4	332		
Restricted farm losses of preceding taxation years from Schedule 4	333		
Farm losses of preceding taxation years from Schedule 4	334		
Limited partnership losses of preceding taxation years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Subtotal			B
Subtotal (amount A minus amount B) (if negative, enter "0")		1,036,793	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	1,036,793	
Income exempt under paragraph 149(1)(t)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		1,036,793	Z

This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction**Canadian-controlled private corporations (CCPCs) throughout the taxation year**

Income from active business carried on in Canada from Schedule 7	400	1,036,793	A
Net taxable income from line 360 on page 3, minus 10/3 of the amount on line 632* on page 7, minus 3 times the amount on line 36** on page 7, and minus any amount that, because of federal law, is exempt from Part I tax	405	1,036,793	B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

225,000	x	Number of days in the taxation year in 2003	=	1
		Number of days in the taxation year	365	
250,000	x	Number of days in the taxation year in 2004	=	2
		Number of days in the taxation year	365	
300,000	x	Number of days in the taxation year after 2004	365	= 300,000 3
		Number of days in the taxation year	365	
Add amounts at lines 1, 2, and 3				300,000 4

Business limit (see notes 1 and 2 below)	410	300,000	C
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- Notes:** 1. For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

Business limit reduction:

Amount C	300,000	x	415 ***	62,116	D	=	11,250	1,656,427	E
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Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	F
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Small business deduction – 16.00 % of whichever amount is the least: A, B, C, or F	430	G
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(enter amount G on line 9 of page 7)

* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

***** Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus \$10,000,000).
- If the corporation is not associated with any corporations in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporations in the current taxation year, but was associated in the preceding taxation year, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction**Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**

Reduced business limit (amount from line 425)	x	300,000	=	A
Net active business income (amount from line 400) *		line 4 above		1,036,793 B

Taxable income from line 360 on page 3 minus 3 times the amount at line 636** on page 7, and minus any amount that, because of federal law, is exempt from Part I Tax	1,036,793	C
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Deduct:

Aggregate investment income (amount from line 440 of page 6)	D	
Amount C minus amount D (if negative, enter "0")	1,036,793	1,036,793 E

Amount A, B, or E above, whichever is less	F
--	---

Amount Z from Part 9 of Schedule 27	x	100 / 7	=	G
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Amount QQ from Part 13 of Schedule 27	H
---------------------------------------	---

Taxable resource income from line 435 above	I
---	---

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	J
---	---

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less	K
---	---

Total of amounts G, H, I, J, and K	L
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Amount F minus amount L (if negative, enter "0")	M
--	---

Accelerated tax reduction – 7.00 % of amount M (enter amount N on line 637 of page 7)	N
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* the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)]				435	A
Amount A	x	Number of days in the taxation year in 2004	x 2 % =		B
		Number of days in the taxation year	365		
Amount A	x	Number of days in the taxation year in 2005	x 3 % =		C
		Number of days in the taxation year	365		
Amount A	x	Number of days in the taxation year in 2006	x 5 % =		D
		Number of days in the taxation year	365		
Amount A	x	Number of days in the taxation year after 2006	x 7 % =		E
		Number of days in the taxation year	365		
Resource deduction – total of amounts B, C, D, and E				438	F
(enter amount F on line 10 of page 7)					

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3				1,036,793	A
Amount Z from Part 9 of Schedule 27	x	100 / 7 =			B
Amount QQ from Part 13 of Schedule 27					C
Taxable resource income from line 435 above					D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)					E
Amount on line 400, 405, 410, or 425 on page 4, whichever is the least					F
Aggregate investment income from line 440 of page 6					G
Amount used to calculate the accelerated tax reduction (amount M of page 4)					H
Total of amounts B, C, D, E, F, G, and H					I
Amount A minus amount I (if negative, enter "0")				1,036,793	J
Amount J	x	Number of days in the taxation year after 2003	x 7 % =		K
		Number of days in the taxation year	365		
General tax reduction for Canadian-controlled private corporations – amount K				72,576	L
(enter amount L on line 638 of page 7)					

General tax reduction

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

Taxable income from line 360 on page 3					M
Amount Z from Part 9 of Schedule 27	x	100 / 7 =			N
Amount QQ from Part 13 of Schedule 27					O
Taxable resource income from line 435 above					P
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)					Q
Total of amounts N, O, P, and Q					R
Amount M minus amount R (if negative, enter "0")					S
Amount S	x	Number of days in the taxation year after 2003	x 7 % =		T
		Number of days in the taxation year	365		
General tax reduction – amount T					U
(enter amount U on line 639 of page 7)					

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income **440** x 26 2 / 3 % = A
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7

Deduct:

Foreign investment income **445** x 9 1 / 3 % = B
(amount O from Part 1 of Schedule 7) (if negative, enter "0")

Amount A minus amount B (if negative, enter "0") C

Taxable income from line 360 on page 3 1,036,793

Deduct:

Amount on line 400, 405, 410, or 425 on page 4,
whichever is the least

Foreign non-business
income tax credit from
line 632 of page 7 x 25 / 9 =

Foreign business income
tax credit from line 636
of page 7 x 3 =

1,036,793
x 26 2 / 3 % = 276,478 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) 229,338

Deduct: Corporate surtax from line 600 of page 7 11,612

amount 217,726 217,726 E

Refundable portion of Part I tax – Amount C, D, or E, whichever is the least **450** F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year **460**

Deduct: Dividend refund for the previous taxation year **465**

Add the total of:

Refundable portion of Part I tax from line 450 above

Total Part IV tax payable from line 360 of Schedule 3

Net refundable dividend tax on hand transferred from a predecessor
corporation on amalgamation, or from a wound-up subsidiary corporation ... **480**

Refundable dividend tax on hand at the end of the taxation year – Amount G plus amount H **485**

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 of Schedule 3 1,500,000 x 1 / 3 500,000 I

Refundable dividend tax on hand at the end of the taxation year from line 485 above J

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8)

Part I tax**Base amount of Part I tax** — 38.00 % of taxable income (line 360 or amount Z, whichever applies) from page 3 **550** 393,981 **A****Corporate surtax calculation**Base amount from line A above **393,981** 1**Deduct:**10 % of taxable income (line 360 or amount Z, whichever applies) from page 3 **103,679** 2

Investment corporation deduction from line 620 below 3

Federal logging tax credit from line 640 below 4

Federal qualifying environmental trust tax credit from line 648 below 5

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

28.00 % of taxable income from line 360 of page 3 **a**28.00 % of taxed capital gains **b** 6Part I tax otherwise payable **c**
(line A plus lines C and D minus line F)Total of lines 2 to 6 **103,679** 7Net amount (line 1 minus line 7) **290,302** 8**Corporate surtax** — 4.00 % of the amount on line 8 **600** 11,612 **B**Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 **602** **C****Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income**
(if it was a CCPC throughout the taxation year)Aggregate investment income from line 440 on page 6 **i**Taxable income from line 360 on page 3 **1,036,793****Deduct:**Amount on line 400, 405, 410, or 425 of page 4,
whichever is the least **1,036,793** **ii**Net amount **1,036,793** **ii****Refundable tax on CCPC's investment income** — 6 2 / 3 % of whichever is less: amount i or ii **604** **D**Subtotal (add lines A, B, C, and D) **405,593** **E****Deduct:**Small business deduction from line 430 of page 4 **9**Federal tax abatement **608** 103,679Manufacturing and processing profits deduction from amount BB
or amount RR of Schedule 27 **616**Investment corporation deduction **620**
(taxed capital gains **624**)Additional deduction — credit unions from Schedule 17 **628**Federal foreign non-business income tax credit from Schedule 21 **632**Federal foreign business income tax credit from Schedule 21 **636**Accelerated tax reduction from amount N on page 4 **637**Resource deduction from line 438 on page 5 **10**General tax reduction for CCPCs from amount R on page 5 **638** 72,576General tax reduction from amount U on page 5 **639**Federal logging tax credit from Schedule 21 **640**Federal political contribution tax credit **644**Federal political contributions **646**Federal qualifying environmental trust tax credit **648**Investment tax credit from Schedule 31 **652**Subtotal **176,255** **F****Part I tax payable** — Line E minus line F (enter amount G on line 700 of page 8) **229,338** **G**

Summary of tax and credits**Federal tax**

Part I tax payable from page 7	700	229,338
Part I.3 tax payable from Schedule 33, 34, or 35	704	
Part II surtax payable from Schedule 46	708	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		229,338

Add provincial or territorial tax:

Provincial or territorial jurisdiction	750	Ontario
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)		
Net provincial or territorial tax payable (except Quebec, Ontario, and Alberta)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
Total tax payable	770	229,338 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Royalties deductible under Syncrude Remission Order	815	
Tax remitted under Syncrude Remission Order	816	
Tax instalments paid	840	229,338
Total credits	890	229,338
Balance (line A minus line B)		229,338 B

Refund code **894** Overpayment**Direct deposit request**

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

☐ Start ☐ Change information **910** Branch number

914 Institution number **918** Account number

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

Balance unpaid
Enclosed payment **898**

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due?

896 1 Yes ☐ 2 No ☒

Certification

I, **950** Keech Last name **951** James First name **954** President Position, office, or rank

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

955 2006-05-17 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation **956** (613) 546-1181 Telephone number

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

958 Randy Murphy Name **959** (613) 546-1181 Telephone number

Language of correspondence – Langue de correspondance

990 Indicate the language in which you would like to receive correspondence. 1 English / Anglais ☒ 2 Français / French ☐
Indiquer la langue de correspondance de votre choix.



Canada Customs
and Revenue Agency

Agence des douanes
et du revenu du Canada

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Taxation year end Year Month Day
Kingston Electricity Distribution Limited	86652 9399 RC0001	2005-12-31

Identification of the imported corporation from the GIFI file

Name of the corporation . . .

Balance Sheet

Account	Description	GIFI	Amount	Prior year
Assets				
	Total current assets	1599 +	18,805,801	18,420,306
	Total tangible capital assets	2008 +	30,429,447	27,462,715
	Total accumulated amortization of tangible capital assets	2009 -	8,318,869	6,760,476
	Total intangible capital assets	2178 +		106,918
	Total accumulated amortization of intangible capital assets	2179 -		
	Total long-term assets	2589 +	4,169,550	4,294,675
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	45,085,929	43,524,138

Liabilities

	Total current liabilities	3139 +	13,658,540	11,440,222
	Total long-term liabilities	3450 +	17,343,650	16,242,538
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	31,002,190	27,682,760

Shareholder equity

	Total shareholder equity (mandatory field)	3620 +	14,083,739	15,841,378
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	Total liabilities and shareholder equity	3640 =	45,085,929	43,524,138
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Retained earnings

	Retained earnings/deficit – end (mandatory field)	3849 =	-774,641	982,998
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* Generic item

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GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Form identifier 125

Name of corporation	Business Number	Taxation year end Year Month Day
Kingston Electricity Distribution Limited	86652 9399 RC0001	2005-12-31

Income Statement

Description GIF1

Operating name 0001
Description of the operation 0002
Sequence Number 0003 01

Account	Description	GIF1	Amount	Prior year
Income statement information				
	Total sales of goods and services	8089 +	63,706,766	57,312,275
	Cost of sales	8518 -	55,642,275	49,048,057
	Gross profit/loss	8519 =	8,064,491	8,264,218
	Cost of sales	8518 +	55,642,275	49,048,057
	Total operating expenses	9367 +	8,177,834	7,911,226
	Total expenses (mandatory field)	9368 =	63,820,109	56,959,283
	Total revenue (mandatory field)	8299 +	64,131,339	57,313,497
	Total expenses (mandatory field)	9368 -	63,820,109	56,959,283
	Net non-farming income	9369 =	311,230	354,214

Farming income statement information				
	Total farm revenue (mandatory field)	9659 +		
	Total farm expenses (mandatory field)	9898 -		
	Net farm income	9899 =		

	Net income/loss before taxes and extraordinary items	9970 =	311,230	354,214
--	---	--------	---------	---------

Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975 -		
	Legal settlements	9976 -		
	Unrealized gains/losses	9980 +		
	Unusual items	9985 -		
	Current income taxes	9990 -	450,630	340,750
	Deferred income tax provision	9995 -		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	-139,400	13,464

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SCHEDULE 141

NOTES CHECKLIST

Corporation's name	Business Number	Taxation year end Year Month Day
Kingston Electricity Distribution Limited	86652 9399 RC0001	2005-12-31

- This schedule should be completed from the perspective of the person who prepared or reported on the **financial statements**. This person is referred to as the "accounting practitioner", in this schedule.
- For more information, see RC4088, *Guide to the General Index of Financial Information (GIFI) for Corporations* and T4012, *T2 Corporation – Income Tax Guide*.
- Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

Part 1 – Accounting practitioner information

Does the accounting practitioner have a professional designation? **095** 1 Yes ☒ 2 No ☐

Is the accounting practitioner connected* with the corporation? **097** 1 Yes ☐ 2 No ☒

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Note

If the accounting practitioner does not have a professional designation **or** is connected with the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4.

Part 2 – Type of involvement

Choose the option that represents the highest level of involvement of the accounting practitioner: **198**

Completed an auditor's report **1** ☒

Completed a review engagement report **2** ☐

Conducted a compilation engagement **3** ☐

Part 3 – Reservations

If you selected option "1" or "2" under **Type of involvement** above, answer the following question:

Has the accounting practitioner expressed a reservation? **099** 1 Yes ☐ 2 No ☒

Part 4 – Other information

Were notes to the financial statements prepared? **101** 1 Yes ☒ 2 No ☐

If Yes, complete lines 102 to 107 below:

Are any values presented at other than cost? **102** 1 Yes ☐ 2 No ☒

Has there been a change in accounting policies since the last return? **103** 1 Yes ☐ 2 No ☒

Are subsequent events mentioned in the notes? **104** 1 Yes ☐ 2 No ☒

Is re-evaluation of asset information mentioned in the notes? **105** 1 Yes ☐ 2 No ☒

Is contingent liability information mentioned in the notes? **106** 1 Yes ☒ 2 No ☐

Is information regarding commitments mentioned in the notes? **107** 1 Yes ☒ 2 No ☐

Does the corporation have investments in joint venture(s) or partnership(s)? **108** 1 Yes ☐ 2 No ☒

If Yes, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)? **109** 1 Yes ☐ 2 No ☐



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SCHEDULE 1

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Taxation year end Year Month Day
Kingston Electricity Distribution Limited	86652 9399 RC0001	2005-12-31

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

Net income (loss) after taxes and extraordinary items per financial statements			-139,400	A
Add:				
Provision for income taxes – current	101	450,630		
Amortization of tangible assets	104	1,558,391		
Amortization of intangible assets	106	17,820		
Recapture of capital cost allowance from Schedule 8	107	71,450		
Reserves from financial statements – balance at the end of the year	126	1,059,462		
Subtotal of additions		3,157,753	▶	3,157,753
Other additions:				
Miscellaneous other additions:				
600 Recovery of prior year transition costs previously deducted	290	26,076		
601 Previously deducted component of regulatory asset write-down	291	283,420		
Subtotal of other additions	199	309,496	▶	309,496
Total additions	500	3,467,249	▶	3,467,249
Deduct:				
Capital cost allowance from Schedule 8	403	1,136,502		
Cumulative eligible capital deduction from Schedule 10	405	698		
Reserves from financial statements – balance at the beginning of the year	414	1,075,407		
Subtotal of deductions		2,212,607	▶	2,212,607
Other deductions:				
Miscellaneous other deductions:				
700 Ontario Capital tax	390	78,449		
Subtotal of other deductions	499	78,449	▶	78,449
Total deductions	510	2,291,056	▶	2,291,056
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				1,036,793

T2 SCH 1 E (01)

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PART IV TAX CALCULATION****SCHEDULE 3**

Name of corporation Kingston Electricity Distribution Limited	Business Number 86652 9399 RC0001	Taxation year end Year Month Day 2005-12-31
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- This schedule is for the use of any corporation to report:
 - non-taxable dividends under section 83;
 - deductible dividends under subsection 138(6);
 - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
 - taxable dividends paid for purposes of a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.
- A recipient corporation is connected with a payer corporation at any time in a taxation year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the sections about Schedule 3 in the *T2 Corporation Income Tax Guide*.
- "X" under column A if dividend received from a foreign source (connected corporation only).
- "X" under column B if the payer corporation is connected.

Part 1 – Dividends received during the taxation year**Do not include dividends received from foreign non-affiliates.****Complete if payer corporation is connected**

Name of payer corporation (Use only one line per corporation, abbreviating its name if necessary)	A	B	C Business Number	D Taxation year end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends were paid YYYY/MM/DD
200		205	210	220
1				

Note: If your corporation's taxation year end is different than that of the connected payer corporation, your corporation could have received dividends from more than one taxation year of the payer corporation. If so, use a separate line to provide the information for each taxation year of the payer corporation.

If payer corporation is not connected, leave these columns blank.				
E Non-taxable dividend under section 83	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)	G Total taxable dividends paid by connected payer corporation	H Dividend refund of the connected payer corporation	I Part IV tax before deductions F x 1 / 3 *
230	240	250	260	270
1				
Total (enter amount of column F on line 320 of the T2 return)				
				J

For dividends received from connected corporations: Part IV tax equals: $\frac{\text{Column F} \times \text{Column H}}{\text{Column G}}$

- * Life insurers are not subject to Part IV tax on subsection 138(6) dividends.
- Public corporations (other than subject corporations) do not need to calculate Part IV tax.

Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1)

Deduct:

Part IV tax payable on dividends subject to Part IV tax **320**

Subtotal

Deduct:

Current-year non-capital loss claimed to reduce Part IV tax **330**

Non-capital losses from previous years claimed to reduce Part IV tax **335**

Current-year farm loss claimed to reduce Part IV tax **340**

Farm losses from previous years claimed to reduce Part IV tax **345**

Total losses applied against Part IV tax $\times 1 / 3 =$

Part IV tax payable (enter amount on line 712 of the T2 return) **360**

Part 3 – Taxable dividends paid in the taxation year for purposes of a dividend refund

A	B	C	D
Name of connected recipient corporation	Business Number	Taxation year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD	Taxable dividends paid to connected corporations
400	410	420	430
1 Corporation of the City of Kingston	87330 0495 RC0001	2005-12-31	1,500,000
2			

If your corporation's taxation year end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one taxation year of the recipient corporation. If so, use a separate line to provide the information for each taxation year of the recipient corporation.

Total **1,500,000**

Total taxable dividends paid in the taxation year to other than connected corporations **450**

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (total of column D above plus line 450) **460** **1,500,000**

Part 4 – Total dividends paid in the taxation year

Complete this part if the total taxable dividends paid in the taxation year for purposes of a dividend refund (line 460 above) is different from the total dividends paid in the taxation year.

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (from above) **460** **1,500,000**

Other dividends paid in the taxation year (total of 510 to 540)

Total dividends paid in the taxation year **500** **1,500,000**

Deduct:

Dividends paid out of capital dividend account **510**

Capital gains dividends **520**

Dividends paid on shares described in subsection 129(1.2) **530**

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year **540**

Subtotal **1,500,000**

Total taxable dividends paid in the taxation year for purposes of a dividend refund **1,500,000**

CAPITAL COST ALLOWANCE (CCA)

Name of corporation Kingston Electricity Distribution Limited	Business Number 86652 9399 RC0001	Taxation year end Year Month Day 2005-12-31
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Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

1 Class number	2 Undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the year*	4 Net adjustments	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Undepreciated capital cost (column 2 plus or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)**	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance (amount on line 107 of Schedule 1)	11 Terminal loss (amount on line 404 of Schedule 1)	12 Capital cost allowance (column 8 multiplied by column 9; or a lower amount on line 403 of Schedule 1)***	13 Undepreciated capital cost at the end of the year (column 6 minus column 12)
200	201	203	205	207		211		212	213	215	217	220
1	410,923			0	410,923		410,923	5	0	0	20,546	390,377
2	4,096,422			0	4,096,422		4,096,422	4	0	0	163,857	3,932,565
3	2,287,875			0	2,287,875		2,287,875	4	0	0	91,515	2,196,360
4	2,644,547	235,153		0	2,879,700	117,577	2,762,123	4	0	0	110,485	2,769,215
5	7,934,710	1,053,126		0	8,987,836	526,563	8,461,273	4	0	0	338,451	8,649,385
6	2,375,063	515,289		0	2,890,352	257,645	2,632,707	4	0	0	105,308	2,785,044
7	519,837	29,067		620,354	-71,450		-71,450	30	71,450	0		
8	291,343	110,188		0	401,531	55,094	346,437	20	0	0	69,287	332,244
9	48,138			0	48,138		48,138	20	0	0	9,628	38,510
10	1,414	229,383		0	230,797	114,692	116,105	100	0	0	116,105	114,692
11	2,571,688			0	2,571,688		2,571,688	4	0	0	102,868	2,468,820
12	15,657			0	15,657		15,657	30	0	0	4,697	10,960
13	19,572	30,506		0	50,078	15,253	34,825	N/A	0	0	3,755	46,323
Total	23,217,189	2,202,712		620,354	24,799,547	1,086,824	23,712,723		71,450		1,136,502	23,734,495

* 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).

** The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

*** If the taxation year is shorter than 365 days, prorate the CCA claim.
See the *T2 Corporation Income Tax Guide* for more information.



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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

☐ of corporation	Business Number	Taxation year end Year Month Day
Kingston Electricity Distribution Limited	86652 9399 RC0001	2005-12-31

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

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

	Name	Country of resi- dence (if other than Canada)	Business Number (Canadian corporation only) (see note 1)	Rela- tion- ship code (see note 2)	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of preferred shares owned	Book value of capital stock
	100	200	300	400	500	550	600	650	700
1.	1425445 Ontario Limited		89340 4814 RC0001	3					
2.	Corporation of the City of Kingston		87330 0495 RC0001	1					
3.	1425447 Ontario Limited		89340 4616 RC0001	3					

Note 1: Enter "NR" if a corporation is not registered.

Note 2: Enter the code number of the relationship that applies from the following order: 1 – Parent 2 – Subsidiary 3 – Associated 4 – Related, but not associated.

T2 SCH 9(99)

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SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Taxation year end Year Month Day
Kingston Electricity Distribution Limited	86652 9399 RC0001	2005-12-31

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

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

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")	200	<u>9,970</u>	A
Add:			
Cost of eligible capital property acquired during the taxation year	222	<u> </u>	
Other adjustments	226	<u> </u>	
Subtotal (line 222 plus line 226)		<u> </u>	B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228	<u> </u>	C
amount B minus amount C (if negative, enter "0")		<u> </u>	D
Amount transferred on amalgamation or wind-up of subsidiary	224	<u> </u>	E
Subtotal (add amounts A, D, and E)	230	<u>9,970</u>	F
Deduct:			
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242	<u> </u>	G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244	<u> </u>	H
Other adjustments	246	<u> </u>	I
(add amounts G, H, and I)		<u> </u>	J
Cumulative eligible capital balance (amount F minus amount J)		<u>9,970</u>	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)			
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	249	<u> </u>	
amount K		<u>9,970</u>	
less amount from line 249		<u> </u>	
Current year deduction	<u>9,970</u>	$\times 7.00\% =$	250
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		<u>698</u>	L
Cumulative eligible capital - Closing balance (amount K minus amount L) (if negative, enter "0")	300	<u>9,272</u>	M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

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

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

Amount from line K (show as positive amount)	_____	N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988	400 _____	1
Total of all amounts which reduced CEC in the current or prior years under subsection 80(7)	401 _____	2
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	402 _____	3
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	408 _____	4
Line 3 minus line 4 (if negative, enter "0")	_____	5
Total of lines 1, 2 and 5	_____	6
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400	_____	7
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000	_____	8
Subtotal (line 7 plus line 8)	409 _____	9
Line 6 minus line 9 (if negative, enter "0")	_____	O
Line N minus line O (if negative, enter "0")	_____	P
Line 5 _____ x 1 / 2 =	_____	Q
Line P minus line Q (if negative, enter "0")	_____	R
Amount R _____ x 2 / 3 =	_____	S
Amount N or amount O, whichever is less	_____	T
Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1)	410 _____	



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SCHEDULE 14

MISCELLANEOUS PAYMENTS TO RESIDENTS

Name of corporation	Business Number	Taxation year end Year Month Day
Kingston Electricity Distribution Limited	86652 9399 RC0001	2005-12-31

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

	Name of recipient	Address of recipient	Royalties	Research and development fees	Management fees	Technical assistance fees	Similar payments
	100	200	300	400	500	600	700
1	1425445 Ontario Ltd.	1211 John Counter Blvd. PO Box 790 Kingston ON K7L 4X7			9,712,397		

T2 SCH 14 (99)

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SCHEDULE 23

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

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

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

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

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

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

Column 4: Enter the business limit for the year of each corporation in the associated group that is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 times the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A is equal to an amount in one of the following ranges, whichever applies:

- from \$200,001 to \$225,000, if the calendar year to which this agreement applies is 2003;
- from \$225,001 to \$250,000, if the calendar year to which this agreement applies is 2004; or
- from \$250,001 to \$300,000, if the calendar year to which this agreement applies is 2005.

If the calendar year to which this agreement applies is after 2005, ensure that the total at line A does not exceed \$300,000.

Allocation of the business limit

Date filed (do not use this area)	025	Year Month Day
Enter the calendar year to which the agreement applies	050	Year 2005
Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below?	075	1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>

	1 Names of associated corporations	2 Business Number of associated corporations	3 Asso- ciation code	4 Business limit for the year (before the allocation) \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
	Kingston Electricity Distribution Limited	86652 9399 RC0001	1	300,000	100.0000	300,000
1	1425445 Ontario Limited	89340 4814 RC0001	1	300,000		
2	Corporation of the City of Kingston	87330 0495 RC0001	1	300,000		
3	1425447 Ontario Limited	89340 4616 RC0001	1	300,000		
	Total				100.0000	300,000 A

Business limit reduction under subsection 125(5.1)

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the amounts used in this calculation is the "Large corporation tax" at line 415 of the T2 return. If the corporation is a member of an associated group*** of corporations in the current taxation year, and that taxation year:

- starts before December 21, 2002, the amount at line 415 of the T2 return is equal to the gross Part I.3 tax of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year. The gross Part I.3 tax is the amount before deducting the surtax credits, which is increased to reflect a full-year tax liability if the taxation year is less than 51 weeks; or
- starts after December 20, 2002, the amount at line 415 of the T2 return is equal to $0.225\% \times (A - \$10,000,000)$ where, "A" is the total of taxable capital employed in Canada** of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year.

*Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's taxation year is less than 51 weeks, prorate the amount in column 6 by the number of days in the taxation year divided by 365, and enter the result on line 410 of the T2 return.

If a CCPC has more than one taxation year ending in a calendar year and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year, the business limit for the second (and subsequent) taxation year(s) will be equal to the business limit allocated for the first taxation year ending in the calendar year.

**"Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the *Income Tax Act*.

*** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

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SCHEDULE 36

AGREEMENT AMONG RELATED CORPORATIONS – PART 1.3 TAX

Members of a related group of corporations should use this schedule to allocate the capital deduction of \$50,000,000 among the members of the related group. **Do not file this agreement if no members of the related group have to pay Part 1.3 tax.**

- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal *Income Tax Act*, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Agreement

Date filed (do not use this area)	010	Year Month Day
Is this an amended agreement?	020	1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Calendar year to which the agreement applies	030	Year 2005

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

Names of all corporations which are members of the related group		Business Number (if a corporation is not registered, enter "NR")	Allocation of capital deduction for the year \$	Taxation year end to which this agreement applies* (YYYY/MM/DD)
200		300	400	500
Kingston Electricity Distribution Limited		86652 9399 RC0001	35,354,868	
1	1425445 Ontario Limited	89340 4814 RC0001	14,645,132	
2	Corporation of the City of Kingston	87330 0495 RC0001		
3	1425447 Ontario Limited	89340 4616 RC0001		

Total (cannot be more than \$50,000,000)

50,000,000

* Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

Canada Customs
and Revenue AgencyAgence des douanes
et du revenu du Canada**SCHEDULE 50****SHAREHOLDER INFORMATION**

of corporation	Business Number	Taxation year end Year Month Day
Kingston Electricity Distribution Limited	86652 9399 RC0001	2005-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder		Business Number (Notes 1 & 3)	Social Insurance Number (Note 2 & 3)	Percentage common shares	Percentage preferred shares
100		200	300	400	500
1	Corporation of the City of Kingston	87330 0495 RC0001		100.000	
2					
3					
4					
5					
6					
7					
8					
9					
10					

Note 1: If a corporate shareholder does not have a business number, "NR" must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, "NA" must be entered to indicate the SIN is not available.

3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.