

March 30, 2012

Ms. Kirsten Walli  
Ontario Energy Board  
PO Box 2319  
27th Floor, 2300 Yonge Street  
Toronto, Ontario M4P 1E4

**Re: Final Disposition of Account 1562 Deferred Payments in Lieu of Taxes**  
**Rate Zone: Strathroy, Mt. Brydges & Parkhill**  
**Board File No.: EB-2012-0098**

Dear Ms. Walli,

Please find enclosed the application of Entegrus – Strathroy, Mt. Brydges & Parkhill for the final disposition of the former Middlesex Power Distribution Corp – Main's Account 1562 Deferred Payments in Lieu of Taxes.

If you have any questions or concerns regarding this application, please do not hesitate to contact me at (519) 352-6300 ext. 243 or via email at: [regulatory@entegrus.com](mailto:regulatory@entegrus.com).

Regards,

*[Original Signed By]*

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cc: Dan Charron, President of Chatham-Kent Hydro  
Chris Cowell, Chief Financial and Regulatory Officer  
David Ferguson, Director of Regulatory Affairs and Administration

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## Application for Final Disposition of Account 1562 Deferred PILs

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Rate Zone: Strathroy, Mt. Brydges & Parkhill  
Board File No.: EB-2012-0098  
Date Filed: March 30, 2012

## **Corporate Background & Name Change**

On March 24, 2005, Chatham-Kent Energy Inc. submitted MAAD application EB-2005-0255 seeking Board approval to acquire all the shares of the former Middlesex Power Distribution Corporation (“MPDC”). The Board approved this acquisition in its Decision and Order issued on June 24, 2005. The CKE acquisition of MPDC subsequently closed June 30, 2005.

On August 31, 2011, Chatham-Kent Hydro Inc. (“CKH”) applied to the Ontario Energy Board (“Board”) for leave to amalgamate MPDC with CKH in application EB-2011-0328/0329. On December 16, 2011, the Board approved the amalgamation, and on January 11, 2012, CKH notified the Board that this transaction was complete. On January 20, 2012, CKH received its amended licence and notification that the MPDC licence had been canceled.

Subsequently, on January 31, 2012, CKH applied to the Board to amend the company name on its Electricity Distribution Licence (ED-2002-0563) to Entegrus Powerlines Inc. The Board approved this change and issued an updated licence on February 24, 2012.

## **Basis for the Application**

On June 24, 2011, the Board issued a Decision and Order in the EB-2008-0381 Account 1562 Deferred Payments in Lieu of Taxes (“PILs”) Combined Proceeding (the “Combined Proceeding”). In that Decision and Order, the Board directed distributors subject to Section 93 of *The Electricity Act, 1998* to apply for final disposition of the balance in account 1562 in their next general rates application (either IRM or cost of service).

MPDC was scheduled to file its 2012 IRM rate application (EB-2011-0148) for November 25, 2011, inclusive of detailed evidence supporting the disposition of Account 1562 for Deferred PILs balances (“Account 1562”). On November 16, 2011, MPDC advised the Board that it was having difficulty locating the pre-acquisition accounting records of the predecessor utility necessary to support and verify the Account 1562 disposition. MPDC further indicated that, despite diligent effort, it would not be in a position to file for the disposition of Account 1562 at the time that the respective 2012 IRM application was filed. MPDC requested a filing extension until January 23, 2012.

On November 23, 2011, the Board denied MPDC’s request, in order not to jeopardize a May 1, 2012, implementation date for the other aspects of the 2012 IRM application. The Board directed MPDC to file a stand-alone Account 1562 disposition application, by no later than April 1, 2012.

On November 25, 2011, MPDC proceeded to file its 2012 IRM application, exclusive of Account 1562, and as of March 30, 2012, is awaiting Board decision in EB-2011-0148.



## Application

Entegrus has successfully located the vast majority of the pre-acquisition accounting records and has compiled sufficient information to support its application. Entegrus submits herein a complete stand-alone application for the final disposition of Account 1562 Deferred PILs.

Entegrus has prepared its Application in accordance with the Combined Proceeding and the additional direction provided by the Board decision of December 22, 2011, in regard to Hydro One Brampton Networks (EB-2011-0174).

The balance for disposition in this Application differs from the amounts originally filed in the December 31, 2010 and December 31, 2011 RRR filings as a result of principal adjustments made during the course of preparation of this application and associated carry charge adjustments. Entegrus will not be requesting updates to the RRR filings since all associated adjustments will be captured in Entegrus' ledger in 2012. This ensures all RRR filings align with the audited financial statements.

Entegrus seeks approval to refund to customers the calculated balance of Account 1562 principal balance as at April 30, 2006 of a liability of \$218,377, and associated carrying charges to April 30, 2012 representing a liability \$57,400, by way of a volumetric rate rider.

Entegrus requests that this rate rider be included in its Tariff of Rates and Charges effective for a one year period commencing November 1, 2012. Please see **Attachment 1** for further details supporting the calculation of the proposed rate rider.

Entegrus further requests that its application of Account 1562 be disposed of expeditiously by way of written hearing.

## Supporting Evidence

Below is a summary the detailed documentation supporting this Application and the respective location. Where possible, Entegrus has provided this information in its original editable electronic format. However, in some cases the historical records available internally to Entegrus exist only in hardcopy and have therefore been scanned into Adobe PDF format.

**Attachment 2** provides a detailed continuity schedule calculating the balance in Account 1562, including the following inputs:

- a) Board Approved PILs Proxy Amounts: These amounts are based on the approved PILs amounts from the Board's decisions for 2001 to 2005 distribution rates and have been verified to the respective approved rate schedules and included as part of this application as follows:
  - i. The 2001 PILs Proxy Amount of \$42,838 was approved in EB-2002-0103 on March 8, 2002. Please see **Attachment 3** for a copy of the original 2001 pre-acquisition SIMPIL model and **Attachment 4** for a copy of the signed EB-2002-0103 Decision and Order.

- ii. The 2002 PILs Proxy Amount of \$220,022 was also approved in EB-2002-0090 on March 8, 2002. MPDC was unable to locate a copy of the original 2002 pre-acquisition SIMPIL model for this period. However, MPDC was able to calculate the appropriate values, which agree to the signed Board decision, based on calculations in the 2001 original SIMPIL model. Please see **Attachment 4** for a copy of the signed EB-2002-0103 Decision and Order.
  - iii. The 2004 PILs Proxy Amount of \$220,022 was approved in EB-2004-0052 on March 11, 2004. MPDC was unable to locate a copy of the original 2004 pre-acquisition SIMPIL model for this period. However, MPDC was able to calculate the appropriate values, which agree to the signed Board decision, based on the 2001 original SIMPIL model. Please see **Attachment 5** for a copy of the signed EB-2004-0052 Decision and Order.
  - iv. The 2005 PILs Proxy Amount of \$195,167 was approved in EB-2005-0048 on March 29, 2005. Please see **Attachment 6** for a copy of the original 2005 pre-acquisition SIMPIL model and **Attachment 7** for a copy of the signed EB-2004-0052 Decision and Order.
- b) True-Up Variance Account Adjustment: These adjustments are calculated utilizing the revised SIMPIL models (TAXCALC worksheet) for the taxation years 2001-2005. The revised SIMPIL models are based on the Halton Hills model methodology from the Combined Proceeding, as recommended by the Board. Entegrus believes that it has addressed any errors that have arisen from the SIMPIL models that were previously released.

The revised SIMPIL models have prepared with assistance from external consultants. The models have been balanced to source documents, including the final tax returns, re-assessments where applicable, and audited financial statements. Supporting documentation for these models is as follows:

- i. Please see **Attachment 8** for the 2001 Revised SIMPIL Model resulting in a true-up of a liability of \$13,697. Please see **Attachment 9** for supporting 2001 Financial Statements. **Attachment 10** contains the supporting 2001 Tax Returns and Assessment Notices.

Please note the 2001 tax returns represent the 3 month period from October 1, 2001 to December 31, 2001. However, the financial statements used to calculate taxable income and other tax items actually relate to the full 12 months ending December 31, 2001. To address this situation for tax purposes, the returns completed by the previous ownership of MPDC took a deduction on line 390 of the Federal T2 of \$114,535, entitled "Section 149(1)(d.6) adjustment" to deduct pre-October 1, 2001, activity from taxable income. The adjustment is not readily apparent per the review of the tax return because MPDC filed using the Federal T2 short form. However, this information can be seen from review of the Federal T2 keypunch summary.

Since this adjustment relates to pre-market opening income (which was not part of the basis for post de-regulation rates), it has been be treated in the 2001 SIMPIL model as a non-true-up item (i.e. neither a positive or negative true-up).

- ii. Please see **Attachment 11** for the 2002 Revised SIMPIL Model resulting in a true-up of a liability of \$73,334. Please see **Attachment 12** for supporting 2002 Financial Statements and **Attachment 13** for supporting 2002 Tax Returns and Assessment Notices.
- iii. Please see **Attachment 14** for the 2003 Revised SIMPIL Model resulting in a true-up of a liability of \$75,320. Please see **Attachment 15** for supporting 2003 Financial Statements and **Attachment 16** for supporting 2003 Tax Returns and Assessment Notices.
- iv. Please see **Attachment 17** for the 2004 Revised SIMPIL Model resulting in a true-up of a liability of \$76,287. Please see **Attachment 18** for supporting 2004 Financial Statements and **Attachment 19** for supporting 2004 Tax Returns and Assessment Notices.
- v. As noted above under the Corporate Structure heading, MPDC was acquired by Chatham-Kent Energy on June 30, 2005. Accordingly, there are two taxation stub periods for calendar 2005. The first stub period reflects pre-acquisition period from January 1, 2005 to June 30, 2005. The second stub period reflects the taxation period post acquisition by Chatham-Kent Energy from July 1, 2005 to December 31, 2005. Please see **Attachment 20** for the Revised SIMPIL Model reflecting activity during the first period of 2005. Please see **Attachment 21** for the Revised SIMPIL Model reflecting the activity during the second period of 2005. The combined true-up result of an asset of \$19,782. Please see **Attachment 22** for supporting Financial Statements for the period of January 1, 2005 to June 30, 2005 and **Attachment 23** for supporting Financial Statements from July 1, 2005 to December 31, 2005. Please see **Attachment 24** for supporting Tax Returns for the period of January 1, 2005 to June 30, 2005 and **Attachment 25** for supporting Tax Returns for the balance of 2005.

Note that for the pre-acquisition period from 2001-2005, Ministry of Finance re-assessment notices and statements of adjustment were not available internally. Accordingly, Entegrus contacted the Ministry of Finance to obtain information on any re-assessments that may have occurred for 2001-2005. Please see **Attachment 26** for a summary of the adjustments provided by the Ministry of Finance.

In the SIMPIL models, items that should not true up to ratepayers under the methodology have been isolated onto sheet ,“TAXCALC3” from those items that are included in the true-up on sheet “TAXCALC” or “TAXCALC2” for each tax period.

Entegrus has confirmed that all 2001 to 2005 tax periods of MPDC are statute-barred (i.e. no longer open for audit).

- c) PILs Amounts Billed to Customers: Collections from customers have been defined as the amounts billed to customers up to April 2006. To comply with Board methodology in terms of unbilled revenue at April 2006, Entegrus followed an approach similar to that of EnWin in the Combined Proceeding. Specifically, Entegrus compiled customer counts, consumption and demand information for the period from January 1 to April 30, 2006 after April 30, and then multiplied these billing determinants by the appropriate rates.

The following attachments support the calculation of PILs amounts billed to customers:

- i. Please see **Attachment 27** for a detailed calculation of revenue collected from customers.
- ii. Please see **Attachment 28** for the original RAM model for rates effective from March 1, 2002 to March 31, 2004. These rates were originally approved in EB-2002-0103 (Attachment 4).
- iii. Please see **Attachment 29** for the original RAM model for rates effective from April 1, 2004 to March 31, 2005 approved in EB-2004-0052 (Attachment 5).
- iv. Please see **Attachment 30** for the original RAM model for rates effective from April 1, 2005 to April 30, 2006, approved in EB-2005-0048 (Attachment 7).

## **Interest Charges**

On December 22, 2011, the Board issued its Decision and Order on Hydro One Brampton Networks Inc.'s ("HOBNI") 2012 Incentive Regulation Rate Application EB-2011-0174. The Board's Decision addressed the Review and Disposition of Account 1562 and provided further direction and clarification on the treatment of interest charges in the determination of the excess interest expense claw-back. Specifically, the Board findings on this matter state:

- the components which will comprise interest expense for purposes of the true-up calculations based on HOBNI's evidence in this case are interest on long-term debt, accounting amortization of deferred debt costs, foreign exchange and interest expense (other);
- the Board is not persuaded that interest income should be netted against interest expense in the SIMPIL true-up calculations since this treatment is not consistent with cost of service filing instructions;
- the impacts of regulatory assets and liabilities should be excluded from the determination of the balance in account 1562 deferred PILs;
- interest expense related to customer deposits is not recovered in cost of service applications and therefore should be excluded in the SIMPIL calculations; and

- capitalized interest and its reversal in the tax calculations nets to zero, and this treatment is consistent with prior guidance issued by the Board.

For accounting classification purposes, MPDC has historically grouped long-term and short-term debt interest expense with customer deposit interest and other miscellaneous interest. This grouping is reflected as “Interest” on the face of the MPDC income statements for the periods 2001-2005.

A reconciliation of the interest ledger account for 2001-2005 by component is included as **Attachment 31**, which notes the Entegrus interest ledger account is inclusive of:

- Interest on long-term debt;
- Interest on short-term debt, including letter of credit fees;
- Interest on customer deposits; and;
- Other interest

Entegrus specifically confirms that its interest ledger account for 2001-2005 does not include:

- Any netting of interest income against interest expense (including interest income on regulatory assets)
- Any interest expense on IESO prudentials;
- Any amortization of debt issue costs, debt discounts or debt premiums; and;

Entegrus further confirms that no interest expense was capitalized for 2001-2005.

Based on the HOBNI decision referenced above, for the purpose of calculating the interest clawback in the models, MPDC has included only interest on debt. MPDC has specifically excluded interest on customer security deposits and other interest.

MPDC believes that this interest treatment is in accordance with the Board’s EB-2011-0174 decision with respect to HOBNI.

Accordingly, the models submitted herein by MPDC include a line item (for instance, see “TAXCALC” line 202 of MPDC’s 2005 model) to remove the interest on customer security deposits and the other interest from the balance used as a basis for comparison in the true-up calculation.

### **Tax Rates**

For the pre-acquisition period from October 1, 2001 through to June 30, 2005, MPDC had access to the small business deduction. Accordingly, for the purposes of calculating the tax impact and gross-up on the TAXCALC sheet, CKH has utilized the minimum tax rate guidance shown on page 17 of the Board’s Combined Proceeding decision for the purpose of true-up calculations.

For the post acquisition period from July 1, 2005 to December 31, 2005, MPDC did not have access to the small business deduction. Accordingly, for the purposes of calculating the tax impact and gross-up on the TAXCALC sheet, CKH has utilized the maximum tax rate guidance shown on page 17 of the Board’s Combined Proceeding decision for the purpose of true-up calculations.

MPDC notes that the gross-up rates utilized in the SIMPIL models exclude the surtax rate of 1.12%.

MPDC further notes that it has excluded variances associated with capital tax in the income tax true-up reconciliation. This is consistent with MPDC's understanding that under the SIMPIL methodology, capital tax does not true up for income tax purposes.

A chart summarizing the tax rates utilized by MPDC in the models is included as **Attachment 32**.

MPDC believes that the combined rates and gross-up rates described above, which were utilized to determine the true-up amounts under the SIMPIL methodology, are appropriate and in accordance with the Board's direction in the Combined Proceeding.

**Attachment 1**  
**Proposed Rate Rider Calculation**

## Proposed Rate Rider

Entegrus has allocated the April 30, 2012 Account 1562 balance to each customer class based on its Test Year distribution revenue that was approved in the Entegrus Chatham-Kent rate zone 2010 Cost of Service Electricity Distribution Rate Application (EB-2009-0261), as directed in the 2012 IRM Rate Generator Model – Tab 10. Table 1 below sets out the allocation of the April 30, 2012 Account 1562 balance by each customer class and calculates the proposed Rate Riders for disposition.

Entegrus requests that these rate riders be included in its Tariff of Rates and Charges effective for a one year period commencing November 1, 2012.

The following reasons support Entegrus' request for a one year disposition period commencing November 1, 2012:

- A November 1, 2012 date is proposed to allow sufficient time for the regulatory process for the current Application, since the new distribution rates approved in EB-2011-0163 are effective for May 1, 2012;
- In terms of the new May 1, 2012 distribution rates, customer rate communications (exclusive of the impact of the proposed PILs rate riders herein), including newspaper advertisements, brochures and letters are already currently in progress for the rate period commencing May 1, 2012;
- Entegrus plans on filing an application for smart meter cost recovery and prudence review in the second quarter of 2012, so the timing of any corresponding rate rider could coincide with a November 1, 2012 date;
- Combining both changes into a November 1, 2012 rate change may alleviate customer confusion by ensuring one coordinated rate change in a relatively short period of time.

## Entegrus Powerlines Inc. - Chatham-Kent

**Table 1: PILs Disposition Rate Rider Calculation**

Effective November 1, 2012 to October 31, 2013

PILs Disposition Amount					\$102,287.45	
Rate Class	Unit	Metered kWh	Metered kW	Distribution Revenue	Allocate to Rate Class	Rate Rider
Residential	\$/kWh	207,045,763	-	\$6,987,788.91	\$54,580.28	\$0.0003
GS<50	\$/kWh	90,210,202	-	\$1,904,385.17	\$14,874.79	\$0.0002
GS>50	\$/kW	189,939,282	494,092	\$1,458,956.13	\$11,395.63	\$0.0231
Intermediate	\$/kW	139,888,648	382,377	\$2,357,967.49	\$18,417.63	\$0.0482
Intermediate w/Self Gen	\$/kW	32,205,190	87,305	\$239,136.13	\$1,867.85	\$0.0214
Unmetered Scattered	\$/kWh	1,081,178	-	\$12,863.68	\$100.48	\$0.0001
Sentinel Lighting	\$/kW	347,118	1,079	\$18,247.24	\$142.53	\$0.1321
Street Lighting	\$/kW	5,757,195	18,365	\$116,284.10	\$908.27	\$0.0495
Standby Power		-				
<b>Total</b>		<b>666,474,576</b>	<b>983,218</b>	<b>\$13,095,628.85</b>	<b>\$102,287.45</b>	



**Attachment 2**

**Account 1562 Detailed Continuity Schedule**

## Attachment 2

### Entegrus Powerlines Inc. - Strathroy, Mt Brydges & Parkhill

#### Detailed Continuity Schedule: Account 1562 Deferred PILs

Description	2001												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
<b>Principal</b>													
Opening Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,279	\$28,559	\$0
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,279	\$14,279	\$14,279	\$42,838
True-Up Variance Adjustment						\$0							\$0
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Closing Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,279</b>	<b>\$28,559</b>	<b>\$42,838</b>	<b>\$42,838</b>
<b>Interest</b>													
Prescribed Rate										7.25%	7.25%	7.25%	
Days in Month										31	30	31	
Opening Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85	\$0
Carrying Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85	\$176	\$261
<b>Closing Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$85</b>	<b>\$261</b>	<b>\$261</b>

Description	2002												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
<b>Principal</b>													
Opening Balance	\$42,838	\$61,173	\$79,508	\$76,480	\$73,452	\$70,424	\$53,699	\$50,671	\$47,643	\$44,616	\$41,588	\$38,560	\$42,838
Board Approved PILs Proxy Amts	\$18,335	\$18,335	\$18,335	\$18,335	\$18,335	\$18,335	\$18,335	\$18,335	\$18,335	\$18,335	\$18,335	\$18,335	\$220,022
True-Up Variance Adjustment						-\$13,697							-\$13,697
Rate Recoveries	\$0	\$0	-\$21,363	-\$21,363	-\$21,363	-\$21,363	-\$21,363	-\$21,363	-\$21,363	-\$21,363	-\$21,363	-\$21,363	-\$213,631
<b>Closing Balance</b>	<b>\$61,173</b>	<b>\$79,508</b>	<b>\$76,480</b>	<b>\$73,452</b>	<b>\$70,424</b>	<b>\$53,699</b>	<b>\$50,671</b>	<b>\$47,643</b>	<b>\$44,616</b>	<b>\$41,588</b>	<b>\$38,560</b>	<b>\$35,532</b>	<b>\$35,532</b>
<b>Interest</b>													
Prescribed Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	\$261	\$525	\$865	\$1,355	\$1,810	\$2,263	\$2,682	\$3,013	\$3,325	\$3,609	\$3,883	\$4,131	\$261
Carrying Charges	\$264	\$340	\$490	\$456	\$452	\$420	\$331	\$312	\$284	\$275	\$248	\$237	\$4,108
<b>Closing Balance</b>	<b>\$525</b>	<b>\$865</b>	<b>\$1,355</b>	<b>\$1,810</b>	<b>\$2,263</b>	<b>\$2,682</b>	<b>\$3,013</b>	<b>\$3,325</b>	<b>\$3,609</b>	<b>\$3,883</b>	<b>\$4,131</b>	<b>\$4,369</b>	<b>\$4,369</b>

## Attachment 2

### Entegrus Powerlines Inc. - Strathroy, Mt Brydges & Parkhill

#### Detailed Continuity Schedule: Account 1562 Deferred PILs

Description	2003												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
<b>Principal</b>													
Opening Balance	\$35,532	\$33,855	\$32,179	\$30,503	\$28,826	\$27,150	-\$47,861	-\$49,537	-\$51,214	-\$52,890	-\$54,566	-\$56,243	\$35,532
Board Approved PILs Proxy Amts	\$21,905	\$21,905	\$21,905	\$21,905	\$21,905	\$21,905	\$21,905	\$21,905	\$21,905	\$21,905	\$21,905	\$21,905	\$262,860
True-Up Variance Adjustment						-\$73,334							-\$73,334
Rate Recoveries	-\$23,581	-\$23,581	-\$23,581	-\$23,581	-\$23,581	-\$23,581	-\$23,581	-\$23,581	-\$23,581	-\$23,581	-\$23,581	-\$23,581	-\$282,976
<b>Closing Balance</b>	<b>\$33,855</b>	<b>\$32,179</b>	<b>\$30,503</b>	<b>\$28,826</b>	<b>\$27,150</b>	<b>-\$47,861</b>	<b>-\$49,537</b>	<b>-\$51,214</b>	<b>-\$52,890</b>	<b>-\$54,566</b>	<b>-\$56,243</b>	<b>-\$57,919</b>	<b>-\$57,919</b>
<b>Interest</b>													
Prescribed Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	\$4,369	\$4,588	\$4,776	\$4,974	\$5,156	\$5,333	\$5,495	\$5,200	\$4,895	\$4,590	\$4,264	\$3,939	\$4,369
Carrying Charges	\$219	\$188	\$198	\$182	\$177	\$162	-\$295	-\$305	-\$305	-\$326	-\$325	-\$346	-\$776
<b>Closing Balance</b>	<b>\$4,588</b>	<b>\$4,776</b>	<b>\$4,974</b>	<b>\$5,156</b>	<b>\$5,333</b>	<b>\$5,495</b>	<b>\$5,200</b>	<b>\$4,895</b>	<b>\$4,590</b>	<b>\$4,264</b>	<b>\$3,939</b>	<b>\$3,593</b>	<b>\$3,593</b>

Description	2004												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
<b>Principal</b>													
Opening Balance	-\$57,919	-\$63,823	-\$69,728	-\$75,632	-\$74,631	-\$73,629	-\$147,947	-\$146,945	-\$145,944	-\$144,942	-\$143,940	-\$142,938	-\$57,919
Board Approved PILs Proxy Amts	\$19,228	\$19,228	\$19,228	\$19,228	\$19,228	\$19,228	\$19,228	\$19,228	\$19,228	\$19,228	\$19,228	\$19,228	\$230,732
True-Up Variance Adjustment						-\$75,320							-\$75,320
Rate Recoveries	-\$25,132	-\$25,132	-\$25,132	-\$18,226	-\$18,226	-\$18,226	-\$18,226	-\$18,226	-\$18,226	-\$18,226	-\$18,226	-\$18,226	-\$239,430
<b>Closing Balance</b>	<b>-\$63,823</b>	<b>-\$69,728</b>	<b>-\$75,632</b>	<b>-\$74,631</b>	<b>-\$73,629</b>	<b>-\$147,947</b>	<b>-\$146,945</b>	<b>-\$145,944</b>	<b>-\$144,942</b>	<b>-\$143,940</b>	<b>-\$142,938</b>	<b>-\$141,937</b>	<b>-\$141,937</b>
<b>Interest</b>													
Prescribed Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Days in Month	31	29	31	30	31	30	31	31	30	31	30	31	
Opening Balance	\$3,593	\$3,236	\$2,869	\$2,439	\$1,989	\$1,529	\$1,090	\$179	-\$725	-\$1,595	-\$2,488	-\$3,345	\$3,593
Carrying Charges	-\$357	-\$368	-\$429	-\$451	-\$460	-\$439	-\$911	-\$905	-\$870	-\$892	-\$858	-\$880	-\$7,818
<b>Closing Balance</b>	<b>\$3,236</b>	<b>\$2,869</b>	<b>\$2,439</b>	<b>\$1,989</b>	<b>\$1,529</b>	<b>\$1,090</b>	<b>\$179</b>	<b>-\$725</b>	<b>-\$1,595</b>	<b>-\$2,488</b>	<b>-\$3,345</b>	<b>-\$4,225</b>	<b>-\$4,225</b>

## Attachment 2

### Entegrus Powerlines Inc. - Strathroy, Mt Brydges & Parkhill

#### Detailed Continuity Schedule: Account 1562 Deferred PILs

Description	2005												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
<b>Principal</b>													
Opening Balance	-\$141,937	-\$145,348	-\$148,759	-\$152,170	-\$153,097	-\$154,025	-\$231,240	-\$232,167	-\$233,095	-\$234,023	-\$234,951	-\$235,878	-\$141,937
Board Approved PILs Proxy Amts	\$16,782	\$16,782	\$16,782	\$16,782	\$16,782	\$16,782	\$16,782	\$16,782	\$16,782	\$16,782	\$16,782	\$16,782	\$201,381
True-Up Variance Adjustment						-\$76,287							-\$76,287
Rate Recoveries	-\$20,193	-\$20,193	-\$20,193	-\$17,709	-\$17,709	-\$17,709	-\$17,709	-\$17,709	-\$17,709	-\$17,709	-\$17,709	-\$17,709	-\$219,963
<b>Closing Balance</b>	<b>-\$145,348</b>	<b>-\$148,759</b>	<b>-\$152,170</b>	<b>-\$153,097</b>	<b>-\$154,025</b>	<b>-\$231,240</b>	<b>-\$232,167</b>	<b>-\$233,095</b>	<b>-\$234,023</b>	<b>-\$234,951</b>	<b>-\$235,878</b>	<b>-\$236,806</b>	<b>-\$236,806</b>
<b>Interest</b>													
Prescribed Rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	-\$4,225	-\$5,099	-\$5,908	-\$6,824	-\$7,731	-\$8,673	-\$9,591	-\$11,015	-\$12,445	-\$13,834	-\$15,275	-\$16,675	-\$4,225
Carrying Charges	-\$874	-\$808	-\$916	-\$907	-\$943	-\$918	-\$1,424	-\$1,430	-\$1,389	-\$1,441	-\$1,400	-\$1,452	-\$13,902
<b>Closing Balance</b>	<b>-\$5,099</b>	<b>-\$5,908</b>	<b>-\$6,824</b>	<b>-\$7,731</b>	<b>-\$8,673</b>	<b>-\$9,591</b>	<b>-\$11,015</b>	<b>-\$12,445</b>	<b>-\$13,834</b>	<b>-\$15,275</b>	<b>-\$16,675</b>	<b>-\$18,127</b>	<b>-\$18,127</b>

Description	2006												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
<b>Principal</b>													
Opening Balance	-\$236,806	-\$237,144	-\$237,482	-\$237,821	-\$238,159	-\$238,159	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$236,806
Board Approved PILs Proxy Amts	\$16,264	\$16,264	\$16,264	\$16,264	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,056
True-Up Variance Adjustment						\$19,782							\$19,782
Rate Recoveries	-\$16,602	-\$16,602	-\$16,602	-\$16,602	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$66,408
<b>Closing Balance</b>	<b>-\$237,144</b>	<b>-\$237,482</b>	<b>-\$237,821</b>	<b>-\$238,159</b>	<b>-\$238,159</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>
<b>Interest</b>													
Prescribed Rate	7.25%	7.25%	7.25%	4.14%	4.14%	4.14%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	-\$18,127	-\$19,585	-\$20,904	-\$22,366	-\$23,176	-\$24,013	-\$24,823	-\$25,675	-\$26,526	-\$27,350	-\$28,201	-\$29,025	-\$18,127
Carrying Charges	-\$1,458	-\$1,319	-\$1,462	-\$809	-\$837	-\$810	-\$851	-\$851	-\$824	-\$851	-\$824	-\$851	-\$11,749
<b>Closing Balance</b>	<b>-\$19,585</b>	<b>-\$20,904</b>	<b>-\$22,366</b>	<b>-\$23,176</b>	<b>-\$24,013</b>	<b>-\$24,823</b>	<b>-\$25,675</b>	<b>-\$26,526</b>	<b>-\$27,350</b>	<b>-\$28,201</b>	<b>-\$29,025</b>	<b>-\$29,876</b>	<b>-\$29,876</b>

## Attachment 2

### Entegrus Powerlines Inc. - Strathroy, Mt Brydges & Parkhill

#### Detailed Continuity Schedule: Account 1562 Deferred PILs

Description	2007												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
<b>Principal</b>													
Opening Balance	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
True-Up Variance Adjustment						\$0							
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Closing Balance</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>
<b>Interest</b>													
Prescribed Rate	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	5.14%	5.14%	5.14%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	-\$29,876	-\$30,728	-\$31,497	-\$32,348	-\$33,172	-\$34,023	-\$34,847	-\$35,698	-\$36,550	-\$37,373	-\$38,327	-\$39,249	-\$29,876
Carrying Charges	-\$851	-\$769	-\$851	-\$824	-\$851	-\$824	-\$851	-\$851	-\$824	-\$953	-\$923	-\$953	-\$10,326
<b>Closing Balance</b>	<b>-\$30,728</b>	<b>-\$31,497</b>	<b>-\$32,348</b>	<b>-\$33,172</b>	<b>-\$34,023</b>	<b>-\$34,847</b>	<b>-\$35,698</b>	<b>-\$36,550</b>	<b>-\$37,373</b>	<b>-\$38,327</b>	<b>-\$39,249</b>	<b>-\$40,203</b>	<b>-\$40,203</b>

Description	2008												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
<b>Principal</b>													
Opening Balance	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
True-Up Variance Adjustment						\$0							
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Closing Balance</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>
<b>Interest</b>													
Prescribed Rate	5.14%	5.14%	5.14%	4.08%	4.08%	4.08%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	
Days in Month	31	29	31	30	31	30	31	31	30	31	30	31	
Opening Balance	-\$40,203	-\$41,156	-\$42,048	-\$43,001	-\$43,733	-\$44,490	-\$45,222	-\$45,844	-\$46,465	-\$47,066	-\$47,688	-\$48,289	-\$40,203
Carrying Charges	-\$953	-\$892	-\$953	-\$732	-\$757	-\$732	-\$621	-\$621	-\$601	-\$621	-\$601	-\$621	-\$8,708
<b>Closing Balance</b>	<b>-\$41,156</b>	<b>-\$42,048</b>	<b>-\$43,001</b>	<b>-\$43,733</b>	<b>-\$44,490</b>	<b>-\$45,222</b>	<b>-\$45,844</b>	<b>-\$46,465</b>	<b>-\$47,066</b>	<b>-\$47,688</b>	<b>-\$48,289</b>	<b>-\$48,910</b>	<b>-\$48,910</b>

## Attachment 2

### Entegrus Powerlines Inc. - Strathroy, Mt Brydges & Parkhill

#### Detailed Continuity Schedule: Account 1562 Deferred PILs

Description	2009												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
<b>Principal</b>													
Opening Balance	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
True-Up Variance Adjustment						\$0							
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Closing Balance</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>
<b>Interest</b>													
Prescribed Rate	2.45%	2.45%	2.45%	1.00%	1.00%	1.00%	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	-\$48,910	-\$49,365	-\$49,775	-\$50,230	-\$50,409	-\$50,595	-\$50,774	-\$50,876	-\$50,978	-\$51,077	-\$51,179	-\$51,277	-\$48,910
Carrying Charges	-\$454	-\$410	-\$454	-\$179	-\$185	-\$179	-\$102	-\$102	-\$99	-\$102	-\$99	-\$102	-\$2,469
<b>Closing Balance</b>	<b>-\$49,365</b>	<b>-\$49,775</b>	<b>-\$50,230</b>	<b>-\$50,409</b>	<b>-\$50,595</b>	<b>-\$50,774</b>	<b>-\$50,876</b>	<b>-\$50,978</b>	<b>-\$51,077</b>	<b>-\$51,179</b>	<b>-\$51,277</b>	<b>-\$51,379</b>	<b>-\$51,379</b>

Description	2010												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
<b>Principal</b>													
Opening Balance	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
True-Up Variance Adjustment						\$0							
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Closing Balance</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>
<b>Interest</b>													
Prescribed Rate	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.89%	0.89%	0.89%	1.20%	1.20%	1.20%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	-\$51,379	-\$51,481	-\$51,574	-\$51,676	-\$51,774	-\$51,876	-\$51,975	-\$52,140	-\$52,305	-\$52,465	-\$52,688	-\$52,903	-\$51,379
Carrying Charges	-\$102	-\$92	-\$102	-\$99	-\$102	-\$99	-\$165	-\$165	-\$160	-\$223	-\$215	-\$223	-\$1,746
<b>Closing Balance</b>	<b>-\$51,481</b>	<b>-\$51,574</b>	<b>-\$51,676</b>	<b>-\$51,774</b>	<b>-\$51,876</b>	<b>-\$51,975</b>	<b>-\$52,140</b>	<b>-\$52,305</b>	<b>-\$52,465</b>	<b>-\$52,688</b>	<b>-\$52,903</b>	<b>-\$53,125</b>	<b>-\$53,125</b>

## Attachment 2

### Entegrus Powerlines Inc. - Strathroy, Mt Brydges & Parkhill

#### Detailed Continuity Schedule: Account 1562 Deferred PILs

Description	2011												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
<b>Principal</b>													
Opening Balance	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
True-Up Variance Adjustment						\$0							
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Closing Balance</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>
<b>Interest</b>													
Prescribed Rate	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	
Opening Balance	-\$53,125	-\$53,398	-\$53,644	-\$53,917	-\$54,181	-\$54,454	-\$54,717	-\$54,990	-\$55,263	-\$55,527	-\$55,799	-\$56,063	-\$53,125
Carrying Charges	-\$273	-\$246	-\$273	-\$264	-\$273	-\$264	-\$273	-\$273	-\$264	-\$273	-\$264	-\$273	-\$3,210
<b>Closing Balance</b>	<b>-\$53,398</b>	<b>-\$53,644</b>	<b>-\$53,917</b>	<b>-\$54,181</b>	<b>-\$54,454</b>	<b>-\$54,717</b>	<b>-\$54,990</b>	<b>-\$55,263</b>	<b>-\$55,527</b>	<b>-\$55,799</b>	<b>-\$56,063</b>	<b>-\$56,336</b>	<b>-\$56,336</b>

Description	2012												
	January	February	March	April	May	June	July	August	September	October	November	December	Annual Total
<b>Principal</b>													
Opening Balance	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377	-\$218,377
Board Approved PILs Proxy Amts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
True-Up Variance Adjustment						\$0							
Rate Recoveries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Closing Balance</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>	<b>-\$218,377</b>
<b>Interest</b>													
Prescribed Rate	1.47%	1.47%	1.47%	1.47%									
Days in Month	31	29	31	30									
Opening Balance	-\$56,336	-\$56,608	-\$56,863	-\$57,136	-\$57,400	-\$57,400	-\$57,400	-\$57,400	-\$57,400	-\$57,400	-\$57,400	-\$57,400	-\$56,336
Carrying Charges	-\$273	-\$255	-\$273	-\$264	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,064
<b>Closing Balance</b>	<b>-\$56,608</b>	<b>-\$56,863</b>	<b>-\$57,136</b>	<b>-\$57,400</b>	<b>-\$57,400</b>	<b>-\$57,400</b>	<b>-\$57,400</b>	<b>-\$57,400</b>	<b>-\$57,400</b>	<b>-\$57,400</b>	<b>-\$57,400</b>	<b>-\$57,400</b>	<b>-\$57,400</b>

<b>GRAND TOTAL</b>													<b>-\$275,777.17</b>
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**Attachment 3**  
**2001 Original SIMPIL Model**

	A	B	C	D
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>			<b>Version 2 - 2001</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>			
3				
4	Utility Name Middlesex Power Corp			<b>Amount</b>
5	Reporting period - January 25, 2002			
6				
7	<b>BACKGROUND</b>			
8	Has the utility reviewed section 149(1) ITA to			
9	confirm that it is not subject to regular corporate			
10	tax (and therefore subject to PILs)?		Y	
11				
12	Was the utility recently acquired by Hydro One			
13	and now subject to s.89 & 90 PILs?		N	
14				
15	Accounting Year End		31-Dec-01	
16				
17	<b>MARR NO TAX CALCULATIONS</b>			
18	<b>SHEET #7 FINAL RUD MODEL DATA</b>			
19	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>			
20	<b>USE BOARD-APPROVED AMOUNTS</b>			
21				
22	Rate base (wires-only)			10,288,429
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			881,204
33				
34	1999 return from RUD Sheet #7			18,430
35				
36	Total Incremental revenue			862,774
37	Input Board-approved dollar amounts phased-in			
38				
39	Amount allowed in 2001, Year 1			287,591
40	Amount allowed in 2002, Year 2			287,591
41	Amount allowed in 2003, Year 3			287,591
42				
43	Equity			5,144,215
44				
45	Return at target ROE			508,248
46				
47	Debt			5,144,215
48				
49	Deemed interest amount in EBIT			372,956
50				
51	Phase-in of interest - Year 1			129,519
52	$((D34+D39)/D32)*D49$			
53	Phase-in of interest - Year 2			251,237
54	$((D34+D39+D40)/D32)*D49$			

REGINFO

	A	B	C	D
1	<b>SECTION 93 PILs TAX GROSS-UP</b>			<b>Version 2 - 2001</b>
2	<b>"SIMPIL"</b>			
3	<b>REGULATORY INFORMATION (REGINFO)</b>			
4				
5	Utility Name Middlesex Power Corp			<b>Amount</b>
6	Reporting period - January 25, 2002			
55	Phase-in of interest - Year 3 (D49)			372,956
56				

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPL"	LINE	Initial	Source	Deferral	Deferral	Deferral	Source	M of F	M of F	M of F	Source
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate		Account	Account	Account		Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)			Foot-	Variance	Variance	Allowance	Foot-	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation		note	K-G	Explanation	(June)	note
5	Version 2 - 2001		\$	#	\$		\$	#	\$		\$	#
6												
7	Utility Name Middlesex Power Corp										Column	
8	Reporting period - January 25, 2002										Brought	
9											Forward	
10											From	
11											TAXREC	
12	I) CORPORATE INCOME TAXES											
13												
14	ACCOUNTING INCOME											
15	Regulatory Net Income	1		1A	76,505		76,505	1B	-76,505		0	1C
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	Additions: To Accounting Income											
20	Depreciation & Amortization	2		2A	114,288		114,288	2B	-114,288		0	2C
21	Federal Large Corporation Tax	3		3A	0			3B	0		0	3C
22	Employee Benefit Plans - Accrued, Not Paid	4		4A	0			4B	0		0	4C
23	Change in Tax Reserves	5		5A	0			5B	0		0	5C
24	Regulatory Adjustments	6		6A	0			6B	0		0	6C
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Item #1	7		7A	0			7B	0		0	7C
27	"Material" Item #2	7		7A	0			7B	0		0	7C
28	Other Additions (not "Material")	7		7A	0			7B	0		0	7C
29	Deductions: From Accounting Income											
30	Capital Cost Allowance	8		8A	-50,384		-50,384	8B	50,384		0	8C
31	Employee Benefit Plans - Paid Amounts	9		9A	0			9B	0		0	9C
32	Items Capitalized for Regulatory Purposes	10		10A	0			10B	0		0	10C
33	Regulatory Adjustments	11		11A	0			11B	0		0	11C
34	Interest Expense Deemed/ Incurred	12		12A	-65,354		-65,354	12B	65,354		0	12C
35	Other Deductions (See Tab entitled "TAXREC")											
36	"Material" Item #1	13		13A	0			13B	0		0	13C
37	"Material" Item #2	13		13A	0			13B	0		0	13C
38	Other Deductions (not "Material")	13		13A	0			13B	0		0	13C
39												
40	REGULATORY TAXABLE INCOME		0		75,055		75,055		-75,055		0	
41	(sum of above)											
42												
43	CORPORATE INCOME TAX RATE											
44	Deemed %	14	19.1200%	14A	15.0000%		34.1200%	14B	4.5000%		38.6200%	14C
45												
46	REGULATORY INCOME TAX											
47	Taxable Income x Rate		0		25,609		25,609		-25,609		0	
48												
49	Miscellaneous Tax Credits	15		15A	0			15B	0			15C
50												
51	Total Regulatory Income Tax		0		25,609		25,609		-25,609		0	
52												
53												
54												

	A	B	C	D	E	F	G	H	I	J	K	L
1	SECTION 93 PILs TAX GROSS-UP "SIMPIIL"	LINE	Initial	Source	Deferral	Deferral	Deferral	Source	M of F	M of F	M of F	Source
2	DEFERRAL/VARIANCE ACCOUNTS		Estimate		Account	Account	Account		Filing	Filing	Filing	
3	TAX CALCULATIONS (TAXCALC)			Foot-	Variance	Variance	Allowance	note	Variance	Variance		Foot-
4	("Wires-only" business - see Tab TAXREC)			note	G-C	Explanation			K-G	Explanation	(June)	note
5	Version 2 - 2001		\$	#	\$		\$	#	\$		\$	#
55												
56	II) CAPITAL TAXES											
57												
58	Ontario											
59	Base	16		16A	10,288,430		10,288,430	16B	-10,288,430		0	16C
60	Less: Exemption	17		17A	-5,000,000		-5,000,000	17B	5,000,000		0	17C
61	Deemed Taxable Capital		0		5,288,430		5,288,430		-5,288,430		0	
62												
63	Rate (.3%)	18	0.3000%	18A	0.0000%		0.3000%	18B	0.0000%		0.3000%	18C
64												
65	Net Amount (Taxable Capital x Rate)		0		3,966		3,966		-3,966		0	
66												
67	Federal (LCT)											
68	Base	19		19A	10,288,430		10,288,430	19B	-10,288,430		0	19C
69	Less: Exemption	20		20A	-10,000,000		-10,000,000	20B	10,000,000		0	20C
70	Deemed Taxable Capital		0		288,430		288,430		-288,430		0	
71												
72	Rate (.225%)	21	0.2250%	21A	0.0000%		0.2250%	21B	0.0000%		0.2250%	21C
73												
74	Gross Amount (Taxable Capital x Rate)		0		649		649		-649		0	
75	Less: Federal Surtax	22	0	22A	-841		-841	22B	841		0	22C
76												
77	Net LCT		0		0		0		192		0	
78												
79												
80	III) INCLUSION IN RATES MARCH 2002											
81												
82	IncomeTax (grossed-up)	23	0	23A	38,872		38,872	23B	-38,872			n/a
83	LCT (grossed-up)	24	0	24A	0		0	24B	0			n/a
84	Ontario Capital Tax	25	0	25A	3,966		3,966	25B	-3,966			n/a
85												
86												
87	Total S. 93 PILs Rate Adjustment		0		42,838		42,838		-42,838			
88												
89												
90												

	A	B	C	D	E	F	G	H	I	J	K	L
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPLI"</b>	<b>LINE</b>	<b>Initial</b>	Source	Deferral	Deferral	<b>Deferral</b>	Source	M of F	M of F	<b>M of F</b>	Source
2	<b>DEFERRAL/VARIANCE ACCOUNTS</b>		<b>Estimate</b>		Account	Account	<b>Account</b>		Filing	Filing	<b>Filing</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>			Foot-note	Variance	Variance	<b>Allowance</b>	Foot-note	Variance	Variance		Foot-note
4	("Wires-only" business - see Tab TAXREC)				G-C	Explanation			K-G	Explanation	(June)	
5	<b>Version 2 - 2001</b>		\$	#	\$		\$	#	\$		\$	#
91												
92	<b>IV) FUTURE TRUE-UPS (post June 2002)</b>								<b>DR / (CR)</b>			
93	Amount in M of F Filing Variance (Column I) that											
94	the Board orders added/subtracted from rates											
95	EBIT	1								No true-up		
96	Depreciation & Amortization	2								No true-up		
97	Federal Large Corporation Tax	3								No true-up		
98	Employee Benefit Plans - Accrued, Not Paid	4							0	True-up		
99	Change in Tax Reserves	5							0	True-up		
100	Regulatory Adjustments	6							0	True-up		
101	Other additions "Material" Item #1	7							0	True-up		
102	Other additions "Material" Item #2	7							0	True-up		
103	Other additions (not "Material")	7								No true-up		
104	Capital Cost Allowance	8								No true-up		
105	Employee Benefit Plans - Paid Amounts	9							0	True-up		
106	Items Capitalized for Regulatory Purposes	10							0	True-up		
107	Regulatory Adjustments	11							0	True-up		
108	Interest Adjustment for Tax Purposes (Cell I135)	12							0	True-up-See Below		
109	Other deductions "Material" Item #1	13							0	True-up		
110	Other deductions "Material" Item #2	13							0	True-up		
111	Other deductions (not "Material")	13								No true-up		
112	Miscellaneous Tax Credits	15							0	True-up		
113												
114	<b>Deferral Account Entry (Positive Entry=Debit)</b>								0	True-up		
115												
116												
117	<b>V) INTEREST PORTION OF TRUE-UP</b>											
118												
119	<b>Variance Caused By Phase-in of Deemed Debt</b>											
120												
121	Total deemed interest (REGINFO CELL D49)								-372,956			
122	Interest phased-in - (Deferral Account Cell G34)								65,354			
123												
124	Variance due to phase-in of debt stucture								-307,602			
125	according to Rate Handbook											
126												
127	<b>Other Interest Variances (ie Borrowing Levels</b>											
128	<b>Above Deemed Debt per Rate Handbook)</b>											
129												
130	Interest deducted on MoF filing (Cell K34)								0			
131	Total deemed interest (REGINFO CELL D49)								372,956			
132												
133	Variance caused by excess debt								372,956			
134												
135	<b>Interest Adjustment for Tax Purposes Cell I108</b>								0	True-up Amount- Used above		
136												
137	<b>Total Interest Variance (Cell I34)</b>								65,354			
138												

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5	<b>Version 2 - 2001</b>					#
6						
7	Utility Name Middlesex Power Corp					
8	Reporting period - January 25, 2002					
9						
10	Note: Carry forward Wires-only Data to Tab "TAXCALC"					
11	Column K					
12	<b>I) CORPORATE INCOME TAXES</b>					
13	(Input unconsolidated financial statement data					
14	submitted with tax returns as applicable)					
15	Revenue	1			0	
16	Other Income	2			0	
17	Expenses					
18	Administration	3			0	
19	Distribution	4			0	
20	Operations and Maintenance	5			0	
21	Depreciation and Amortization	6			0	
22	Municipal Property Taxes	7			0	
23	Ontario Capital Tax	8			0	
24	Federal LCT	9			0	
25						
26	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	10	0	0	0	1C
27						
28	BOOK TO TAX ADDITIONS:					
29	Depreciation & Amortization		0	0	0	2C
30	Federal Large Corporation Tax		0	0	0	3C
31	Employee benefit plans-accrued, not paid				0	4C
32	Change in tax reserves				0	5C
33	Regulatory adjustments				0	6C
34	Other additions "Material" Item #1				0	7C
35	Other additions "Material" Item #2				0	7C
36			0	0	0	
37	<i>Other Additions:</i> (From T2 S1)					
38	Recapture of CCA				0	7C
39	Non-deductible expenses:				0	7C
40	Club dues and fees				0	7C
41	Meals and entertainment				0	7C
42	Automobile				0	7C
43	Life insurance premiums				0	7C
44	Company pension plans				0	7C
45	Advertising				0	7C
46	Interest and penalties on taxes				0	7C
47	Legal and accounting fees				0	7C
48	Debt issue expenses				0	7C
49	Capital items expensed				0	7C
50	All crown charges, royalties, rentals				0	7C
51	Deemed dividend income				0	7C
52	Deemed interest on loans to non-residents				0	7C
53	Deemed interest received				0	7C
54	Development expenses claimed				0	7C
55	Dividend stop-loss adjustments				0	7C
56	Dividends credited to investment account				0	7C

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5	<b>Version 2 - 2001</b>					#
6						
57	Investment tax credit				0	7C
58	Financing fees deducted in books				0	7C
59	Foreign accrual property income				0	7C
60	Foreign affiliate property income				0	7C
61						
62	Federal reassessment amounts				0	7C
63	Gain on settlement of debt				0	7C
64	Interest paid on income debentures				0	7C
65	Gain on sale of eligible capital property				0	7C
66	Loss on disposal of assets				0	7C
67	Reserves from financial statements- end of year				0	7C
68	Holdbacks				0	7C
69	Taxable capital gains				0	7C
70	Political donations- book				0	7C
71	Charitable donations- book				0	7C
72	Capitalized interest				0	7C
73	Deferred and prepaid- beginning of year				0	7C
74	Tax reserves deducted in prior year				0	7C
75	Loss from joint ventures				0	7C
76	Loss from subsidiaries				0	7C
77	Limited partnership losses				0	7C
78	Sales tax assessments				0	7C
79	Share issue expenses				0	7C
80	Write-down of capital property				0	7C
81					0	
82	<i>Other Additions:</i>				0	7C
83						
84	<i>Total Other Additions</i>		0	0	0	7C
85						
86	<i>Total Additions</i>		0	0	0	
87						
88	<b>BOOK TO TAX DEDUCTIONS:</b>					
89	Capital cost allowance				0	8C
90	Employee benefit plans-paid amounts				0	9C
91	Items capitalized for regulatory purposes				0	10C
92	Regulatory adjustments				0	11C
93	Interest expense incurred				0	12C
94	Other deductions "Material" Item #1				0	13C
95	Other deductions "Material" Item #2				0	13C
96			0	0	0	
97	<i>Other deductions: (From T2 S1)</i>					
98	Grossed up Part VI.1 tax (preferred shares)				0	13C
99	Amortization of eligible capital expenditures				0	13C
100	Amortization of debt and equity issue cost				0	13C
101	Loss carryback to prior period				0	13C
102	Contributions to deferred income plans				0	13C
103	Contributions to pension plans				0	13C
104	Income from subsidiaries				0	13C
105	Income from joint ventures				0	13C
106	Gain on disposal of assets				0	13C
107	Terminal loss				0	13C
108	Cumulative eligible capital deduction				0	13C
109	Allowable business investment loss				0	13C
110	Holdbacks				0	13C
111	Deferred and prepaids- end of year				0	13C
112	Tax reserves claimed in current year				0	13C
113	Reserves from F/S- beginning of year				0	13C
114	Patronage dividends				0	13C
115	Accrued dividends- current year				0	13C
116	Bad debts				0	13C



	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5	<b>Version 2 - 2001</b>					#
6						
117						
118						
119	Exempt income under section 81				0	13C
120	Contributions to environmental trust				0	13C
121	Other income from financial statements				0	13C
122	Charitable donations - tax basis				0	13C
123	Gifts to Canada or a province				0	13C
124	Cultural gifts				0	13C
125	Ecological gifts				0	13C
126	Taxable dividends s. 112, 113 or ss. 138(6)				0	13C
127	Non-capital losses-preceding years				0	13C
128	Net-capital losses- preceding years				0	13C
129	Limited partnership losses- preceding years				0	13C
130	<i>Other deductions:</i>				0	13C
131					0	
132					0	
133	<i>Total Other Deductions</i>		0	0	0	13C
134						
135	<i>Total Deductions</i>		0	0	0	
136						
137						
138	<b>TAXABLE INCOME</b>		0	0	0	
139						
140						
141						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5	<b>Version 2 - 2001</b>					#
6						
142						
143						
144	<b>ONTARIO CAPITAL TAX</b>					
145						
146	<b>PAID-UP CAPITAL</b>					
147						
148	Paid-up capital stock				0	
149	Retained earnings (if deficit, deduct)				0	
150	Capital and other surplus excluding				0	
151	appraisal surplus				0	
152	Loans and advances				0	
153	Bank loans				0	
154	Bankers acceptances				0	
155	Bonds and debentures payable				0	
156	Mortgages payable				0	
157	Lien notes payable				0	
158	Deferred credits				0	
159	Contingent, investment, inventory and				0	
160	similar reserves				0	
161	Other reserves not allowed as deductions				0	
162	Share of partnership(s), joint venture(s)				0	
163	paid-up capital				0	
164	Sub-total		0	0	0	
165	Subtract:					
166	Amounts deducted for income tax				0	
167	purposes in excess of amounts booked				0	
168	Deductible R&D expenditures and ONTTI				0	
169	costs deferred for income tax				0	
170					0	
171	<b>Total (Net) Paid-up Capital</b>		0	0	0	
172						
173	<b>ELIGIBLE INVESTMENTS</b>					
174						
175	Bonds, lien notes, interest coupons				0	
176	Mortgages due from other corporations				0	
177	Shares in other corporations				0	
178	Loans and advances to unrelated corporations				0	
179	Eligible loans and advances to related				0	
180	corporations				0	
181	Share of partnership(s) or joint venture(s)				0	
182	eligible investments				0	
183						
184	<b>Total Eligible Investments</b>		0	0	0	
185						
186						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5	<b>Version 2 - 2001</b>					#
6						
187						
188	<b>TOTAL ASSETS</b>					
189						
190	Total assets per balance sheet				0	
191	Mortgages or other liabilities deducted from				0	
192	assets				0	
193	Share of partnership(s)/ joint venture(s) total				0	
194	assets				0	
195	Subtract: Investment in partnership(s)/joint				0	
196	venture(s)				0	
197						
198	<b>Total assets as adjusted</b>		0	0	0	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and				0	
202	similar reserves				0	
203	Other reserves not allowed as deductions				0	
204	Subtract:				0	
205	Amounts deducted for income tax				0	
206	purposes in excess of amounts booked				0	
207	Deductible R&D expenditures and ONTTI				0	
208	costs deferred for income tax				0	
209	Subtract: Appraisal surplus if booked				0	
210	Add or subtract: Other adjustments		1	1	2	
211						
212	<b>Total Assets</b>		1	1	2	
213						
214	<b>Investment Allowance</b>					
215						
216	(Total Eligible Investments / Total Assets) x					
217	Net paid-up capital		0	0	0	
218						
219	<b>Taxable Capital</b>					
220						
221	Net paid-up capital		0	0	0	
222	Subtract: Investment Allowance		0	0	0	
223					0	
224	Taxable Capital		0	0	0	
225						
226	<b>Capital Tax Calculation</b>					
227						
228	Taxable capital		0	0	0	16C
229						
230	Deduction from taxable capital up to \$5,000,000				0	17C
231						
232	Net Taxable Capital		0	0	0	
233						
234	Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
235						
236	Days in taxation year		365	365	365	
237	Divide days by 365		1.0000	1.0000	1.0000	
238						
239	<b>Ontario Capital Tax</b>		0	0	0	
240						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5	<b>Version 2 - 2001</b>					#
6						
241						
242						
243	<b>LARGE CORPORATION TAX</b>					
244						
245	<b>CAPITAL</b>					
246						
247	ADD:					
248	Reserves that have not been deducted in				0	
249	computing income for the year under Part I				0	
250	Capital stock				0	
251	Retained earnings				0	
252	Contributed surplus				0	
253	Any other surpluses				0	
254	Deferred unrealized foreign exchange gains				0	
255	All loans and advances to the corporation				0	
256	All indebtedness- bonds, debentures, notes,				0	
257	mortgages, bankers acceptances, or similar				0	
258	obligations				0	
259	Any dividends declared but not paid				0	
260	All other indebtedness outstanding for more				0	
261	than 365 days				0	
262						
263	Subtotal		0	0	0	
264						
265	DEDUCT:					
266	Deferred tax debit balance				0	
267	Any deficit deducted in computing				0	
268	shareholders' equity				0	
269	Any patronage dividends 135(1) deducted in				0	
270	computing income under Part I included in				0	
271	amounts above				0	
272	Deferred unrealized foreign exchange losses				0	
273						
274	Subtotal		0	0	0	
275						
276	<b>Capital for the year</b>		0	0	0	
277						
278	<b>INVESTMENT ALLOWANCE</b>					
279						
280	Shares in another corporation				0	
281	Loan or advance to another corporation				0	
282	Bond, debenture, note, mortgage, or				0	
283	similar obligation of another corporation				0	
284	Long term debt of financial institution				0	
285	Dividend receivable from another corporation				0	
286	Debts of corporate partnerships that were not				0	
287	exempt from tax under Part I.3				0	
288	Interest in a partnership				0	
289						
290	<b>Investment Allowance</b>		0	0	0	
291						

	A	B	C	D	E	F
1	<b>SECTION 93 PILs TAX GROSS-UP "SIMPIL"</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	Source
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		Corporate	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	Foot-
4			Return			note
5	<b>Version 2 - 2001</b>					#
6						
292						
293	<b>TAXABLE CAPITAL</b>					
294						
295	Capital for the year		0	0	0	
296						
297	Deduct: Investment allowance		0	0	0	
298						
299	Taxable Capital for taxation year		0	0	0	19C
300						
301	Deduct: Capital Deduction \$10,000,000				0	20C
302						
303	<b>Taxable Capital</b>		0	0	0	
304						
305	Rate .225%		0.22500%	0.22500%	0.22500%	21C
306						
307	Days in year		365	365	365	
308	Divide days by 365		1.0000	1.0000	1.0000	
309						
310	<b>Gross Part I.3 Tax LCT</b>		0	0	0	
311						
312	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
313						
314	Federal Surtax = Taxable Income x Surtax Rate		0	0	0	
315						
316	<b>Net Part I.3 Tax LCT Payable</b>		0	0	0	
317	(If surtax is greater than Gross LCT, then zero)					
318						
319						
320						

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**Attachment 4**

**Decision and Order EB-2002-0103**  
**Rates Effective March 1, 2002**



RP-2002-0094  
EB-2002-0103

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c.15 (Schedule B);

**AND IN THE MATTER OF** an Application by  
Middlesex Power Corporation for an order or orders  
approving or fixing just and reasonable rates.

**BEFORE:** Paul Vlahos  
Vice Chair and Presiding Member

George Dominy  
Vice Chair and Member

### **DECISION AND ORDER**

On December 21, 2001 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for the March 1, 2002 distribution rate adjustments. Supplemental instructions were issued on January 18, 2002.

Middlesex Power Corporation ("the Applicant") filed an Application ("the Application"), dated January 25, 2002, for an order or orders under section 78 of the *Ontario Energy Board Act, 1998* approving or fixing just and reasonable rates for the distribution of electricity, effective March 1, 2002.

The Applicant filed a revised application ("the Revised Application") dated March 2, 2002.

The Board published a generic Notice in newspapers across Ontario informing ratepayers of the distribution rate adjustments to be effective March 1, 2002 and



providing the opportunity for ratepayers to participate in the proceeding or comment on the utility's application. In response to the Board's generic Notice, the Board received a total of 148 submissions in the form of a letter, facsimile, or e-mail. The total may be apportioned to the following four categories:

- 100 were copies of a template submission seeking an oral hearing, wanting to make oral submissions, claiming that rates are not just and reasonable. Another 9 were of the same template but indicated they did not wish to make an oral submission.
- 10 indicated that there should be an oral hearing and wanted to make a submission.
- 11 indicated that there should be an oral hearing but did not wish to make an oral submission.
- 18 made substantive submissions.

In some cases the submission named a specific electricity distributor, in other cases it did not. The Applicant was not named in any of the submissions.

By letter dated February 11, 2002 the Board directed electricity distributors to serve the Notice to the municipal corporation in the distributors' service area. No submissions were received.

The Applicant applied to adjust its distribution rates for the following:

- Input Price Inflation (IPI) and Productivity Factor as provided for in the Performance Based Regulation (PBR) Plan.
- the second of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), \$287,591.

- the 2001 deferred Payments in Lieu of Taxes (PILs), \$21,709.
- the 2002 Payments in Lieu of Taxes (PILs), \$216,000.
- an interim transition cost recovery of \$39,500.
- a change in the Applicant's late payment penalty and a provision for the revenue losses incurred by this change, \$48,000, and a Z factor recovery of \$28,000 associated with that change for the period August 1, 2001 to February 28, 2002.

Copies of the Application and supporting material are available for review at the Board's offices.

While the Board has considered all of the evidence filed in this proceeding, the Board has only referenced the evidence to the extent necessary to provide background to its findings.

### **Board Findings**

As noted above, a number of persons have written to the Board requesting that the Board hold an oral hearing in the matter of the applications by electricity distributors.

Under subsection 5.1(2) of the *Statutory Powers Procedure Act*, the Board shall not hold a written hearing where a party satisfies it that there is good reason not to hold a written hearing, in which case the Board will proceed by way of an oral or electronic hearing. Good reasons for proceeding by way of an oral hearing may include the existence of questions of credibility in which the Board will be assisted by the ability to observe the demeanor of witnesses or the complexity of evidence which parties should have the ability to test through cross-examination.

Another good reason may be where an oral hearing would allow the Board to more expeditiously deal with an application.

The persons who have requested an oral hearing have not cited any such reasons but have in most cases merely stated that “the rates are not just and reasonable” and that they “would like the opportunity to present to the Board on this matter”.

The current proceeding is an extension of the process undertaken by the Board to restructure Ontario’s electricity distribution industry. To facilitate this work, the Board developed a regulatory framework that was the result of extensive consultation and public hearings. The current applications are the result of this framework, which is largely formulaic and includes for the first time the provision for the legislative requirement of PILs.

Persons have received an opportunity to make their concerns known to the Board through the published Notice which invited written submissions on the applications. The Board notes that a written hearing is a public process in which all documents received by the Board are available to the public. The Board further notes that most of the issues raised by the submissions of the persons requesting an oral hearing are outside of the scope of the Board’s jurisdiction in this proceeding. For example, some persons raised issues of privatization of electricity services and limitations in international trade agreements on the ability of the government to make changes to Ontario’s electricity system in the future. These are not relevant to the Board’s duty in this proceeding to approve just and reasonable rates for an individual distributor regulated by the Board.

Therefore, the Board has decided not to hold an oral hearing in this matter.

The Board adjusts the Applicant’s proposals for the following reasons.

For 2001, as the Regulatory Taxable Income was between \$50,000 and \$175,000, the deemed corporate tax rate should be 34.12% instead of 19.12%.

While the Board accepts the recovery of \$48,000 in rates on a prospective basis related to the Applicant's late payment policy change, the Board does not approve the claimed Z factor amount of the \$28,000. In the Board's view, the requested amount is not a Z factor; rather it is a request for the Board to vary its previous decision and approve a retroactive rate adjustment. The Applicant had not applied for such revenue adjustment in its initial filing for unbundled rates, which became effective July 1, 2001. The Board relies on the applicants to bring their best case forward for prospective rate adjustments, not on a piecemeal and selective basis. The Board cannot be expected to vary its previous decisions because an applicant might have thought that, after the fact, it could have included in its application certain other matters. Regulatory efficiency requires that there be finality to the rate setting process. The Board therefore denies the Applicant's request.

With respect to transition costs claimed, the Applicant did not provide sufficient evidence to justify the deviation from the guidelines issued by the Board on November 9, 2001 and January 18, 2002 ("the Guidelines"). Hence, the Board has corrected the Applicant's proposals for transition costs to conform with the Guidelines as follows:

- the costs incurred in fiscal 2001 (\$15,700) are disallowed as the Applicant did not substantiate the amount claimed with a focussed external audit.
- Only one-third of the non-capital expenditures are recoverable in rates on an interim basis, not 100% as filed by the Applicant.

As a result,

- the Z factor recovery claimed of \$28,000 is disallowed.

- the interim transition costs recovery is adjusted to \$7,767.
- the 2001 deferred Payments in Lieu of Taxes (PILs) amount is adjusted to correct for an understatement of \$21,129.
- the 2002 Payments in Lieu of Taxes (PILs) amount is adjusted to correct for an understatement of \$4,022.

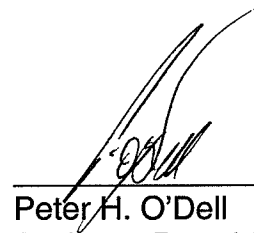
Subject to these adjustments, the Board finds that the Applicant's proposals in the Revised Application conform with the Board's earlier decisions, directives and guidelines and the resulting rates are just and reasonable.

**THE BOARD ORDERS THAT:**

- 1) The rates set out in Appendix "A" of this Order are approved effective March 1, 2002.
- 2) The Applicant shall notify its customers of the rate changes coincident with the first bill reflecting the new rates.

**DATED** at Toronto, March 8, 2002.

ONTARIO ENERGY BOARD



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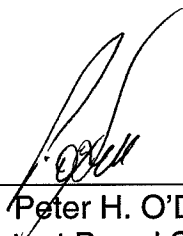
Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2002-0094  
EB-2002-0103

March 8, 2002

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read 'P. O'Dell', is written over a horizontal line.

Peter H. O'Dell  
Assistant Board Secretary

**Middlesex Power Corporation  
Schedule of Rates and Charges  
Effective March 1, 2002**

RP-2002-0094  
EB-2002-0103

**Time Periods for Time of Use (Eastern Standard Time)**

Winter: All Hours, October 1 through March 31

Summer: All Hours, April 1 through September 30

Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto) Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.

Off Peak: All Other Hours.

**Cost of Power rates valid only until subsection 26(1) of the Electricity Act, 1998 comes into effect.**

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$13.20
Distribution Volumetric Rate	(per kWh)	\$0.0110
Cost of Power Rate	(per kWh)	\$0.0768

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$17.17
Distribution Volumetric Rate	(per kWh)	\$0.0035
Cost of Power Rate	(per kWh)	\$0.0756

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$42.06
Distribution Volumetric Rate	(per kW)	\$1.2573
Cost of Power Demand Rate	(per kW)	\$6.7650
Cost of Power Energy Rate	(per kWh)	\$0.0531

**LARGE USE**

Monthly Service Charge	(per month)	\$1,876.09
Distribution Volumetric Rate	(per kW)	\$0.2683
Cost of Power - Winter Peak	(per kW)	\$10.8540
Cost of Power - Summer Peak	(per kW)	\$8.1180
Cost of Power - Winter Peak	(per kWh)	\$0.0689
Cost of Power - Winter Off Peak	(per kWh)	\$0.0412
Cost of Power - Summer Peak	(per kWh)	\$0.0582
Cost of Power - Summer Off Peak	(per kWh)	\$0.0306

**Middlesex Power Corporation  
Schedule of Rates and Charges  
Effective March 1, 2002**

RP-2002-0094  
EB-2002-0103

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.89
Distribution Volumetric Rate	(per kW)	\$4.2766
Cost of Power Demand Rate	(per kW)	\$23.4388

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.71
Distribution Volumetric Rate	(per kW)	\$2.3318
Cost of Power Demand Rate	(per kW)	\$23.5282

**UN-METERED SCATTERED LOADS**

Un-metered scattered loads, such as traffic signals, telephone booths, and cable TV amplifiers, will be billed at General Service < 50 kW rate based on estimated loads, per connection.

Monthly Service Charge	(per month)	\$17.17
Distribution Volumetric Rate	(per kWh)	\$0.0035
Cost of Power Rate	(per kWh)	\$0.0756

**SPECIFIC SERVICE CHARGES**

New Account Setup		\$	32.00
Change of Occupancy		\$	8.80
Arrear's Certificate		\$	10.70
Late Payment Charge	(per month)		1.50%
	(per annum)		19.56%
Returned Cheque		\$	8.55
Collection of Account Charge		\$	8.80
Disconnect/Reconnect Charges (non payment of account)			
At Meter - During Regular Hours		\$	17.60
At Meter - After Hours		\$	27.80
Temporary Pole Service		\$	425.00
Diversity Credit	(per KW) Winter	\$	0.70
	(per KW) Summer	\$	0.89
(Diversity Credits will be discontinued on the date upon which ss 26(1) of the <i>Electricity Act, 1998</i> , S.O. 1998, c.15 (Schedule A) comes into force)			
Dispute Involvement charges		\$	5.00
Non utility step down facility (per kW)		\$	0.60



**Attachment 5**

**Decision and Order EB-2004-0052**  
**Rates Effective March 1, 2004**

Ontario Energy  
Board  
P.O. Box 2319  
2300 Yonge Street  
26th. Floor  
Toronto ON M4P 1E4  
Telephone: (416) 481-1967  
Facsimile: (416) 440-7656

Commission de l'Énergie  
de l'Ontario  
C.P. 2319  
2300, rue Yonge  
26e étage  
Toronto ON M4P 1E4  
Téléphone; (416) 481-1967  
Télécopieur: (416) 440-7656



March 11, 2004

Thomas Enright  
President & Chair  
Middlesex Power Distribution Corporation  
351 Frances Street  
Strathroy ON  
N7G 2L7

Dear Mr. Enright:

**Re: Distribution Rate Application  
Board Decision and Order and Interim Rate Schedule**

Attached is the Board's Decision and Order and Interim Rate Schedule with respect to your company's distribution rate application regarding the partial recovery of Regulatory Assets.

Yours truly,

Peter H. O'Dell  
Assistant Secretary

cc. Intervenors of record



RP-2004-0066  
EB-2004-0052

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c.15 (Schedule B);

**AND IN THE MATTER OF** an Application by Middlesex  
Power Distribution Corporation for an order or orders  
approving or fixing just and reasonable rates.

**BEFORE:** Bob Betts  
Presiding Member

Paul Vlahos  
Member

### **DECISION AND ORDER**

On January 15, 2004 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for distribution rate adjustments related to the recovery of Regulatory Assets, to be effective March 1, 2004 and implemented on April 1, 2004.

The Applicant filed an application for such adjustment. Notice of the proceeding was published on February 5, 2004 in major newspapers in the province.

While the Board had originally intended to approve the disposal of RSVA amounts on a final basis, on analysis of the applications by distributors and the reporting of RSVA amounts in these applications, the Board has now determined that all rate changes should be interim. In the Board's view, it would be premature to set these rates final based on the quality of the data contained in many of the applications and the fact that the audit sampling process by the Board has not been completed.

The Board received some interventions in these proceedings, mainly concerned with Phase Two of the process. The only intervenor to make specific submissions on Phase One of the proceeding was the School Energy Coalition, ("SEC") who objected to any interim increase in rates over and above the RSVA amounts on the basis that appropriate

evidence had not been filed on these amounts. The Board is not convinced by SEC's arguments and sees no reason that Phase One cannot proceed. Phase One only contemplates partial recovery on an interim basis at this time. In Phase Two, the Board will review all applications to ensure that only prudent and reasonably incurred costs are recovered over the four year period mandated by the Minister.

In light of the above, the Board finds that it is in the public interest to order as follows.

**THE BOARD ORDERS THAT:**

- 1) The rate schedule attached is approved on an interim basis, effective March 1, 2004, to be implemented on April 1, 2004. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2004 implementation date, the new rates shall be implemented with the first billing cycle for electricity taken or considered to have been taken from April 1, 2004.
- 2) The Applicant shall notify its customers of the rate changes by including the brochure provided by the Board through a different process, no later than with the first customer bill reflecting the new rates, and provide to the Board samples of any other notices sent by the Applicant to its customers with respect to the rate changes. The Board expects the Applicant to provide notice to all customers about the rate changes, no later than with the first bill reflecting the new rates.

DATED at Toronto, March 11, 2004

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read 'P. O'Dell', written over a horizontal line.

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Peter H. O'Dell  
Assistant Secretary

**Interim Rates**  
**Middlesex Power Distribution Corporation**  
**Schedule of Changed Distribution Rates and Charges**

RP-2004-0066

EB-2004-0052

Effective Date: March 1, 2004  
Implementation Date: April 1, 2004

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$13.20
Distribution Volumetric Rate	(per kWh)	\$0.0117

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$17.17
Distribution Volumetric Rate	(per kWh)	\$0.0048

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$42.06
Distribution Volumetric Rate	(per kW)	\$1.9628

**LARGE USE**

Monthly Service Charge	(per month)	\$1,876.09
Distribution Volumetric Rate	(per kW)	\$0.3234

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.89
Distribution Volumetric Rate	(per kW)	\$4.3114

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.71
Distribution Volumetric Rate	(per kW)	\$3.2011

**UNMETERED SCATTERED LOAD**

Billed at General Service < 50kW

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**Attachment 6**  
**2005 Original SIMPIL Model**

SECTION 93 PILs TAX GROSS-UP		PROXY CALCULATION FOR 2005		PILS2005.V1.1													
<b>REGULATORY INFORMATION (REGINFO)</b>																	
Utility Name:		Middlesex Power Distribution Corporation - ED 2003 0059															
File Number:		RP-2005-0013															
		EB-2005-0048															
Reporting period:		January 1, 2005 - December 31, 2005															
Days in reporting period:		365															
Total days in the calendar year:		365															
<b>BACKGROUND</b>																	
1. Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate group? (Yes or No)		No															
2. Please identify the percentage used to allocate the exemption.																	
3. Please explain the basis of the allocation if the percentage is other than 100%.																	
4. Accounting Year End		Dec-31															
MARR NO TAX CALCULATIONS FROM SHEET #7 FINAL 2001 RUD MODEL DATA (FROM 1999 FINANCIAL STATEMENTS)																	
Rate base (wires-only)		\$10,288,429.00															
Common Equity Ratio (CER)		50.00%															
1-CER		50.00%															
Target Return On Equity (%)		9.88%															
Debt rate		7.25%															
Market Adjusted Revenue Requirement		\$881,204		<b>Regulatory Income</b>  <div style="border: 1px solid black; padding: 5px;"> <div style="display: flex; justify-content: space-between;"> <div> <i>Based on Board's Decision (RP-2000-0069)</i> </div> <div> <i>Board-Approved Amounts</i> </div> </div> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Amount allowed in 2001, Year 1</td> <td style="width: 20%; text-align: center;">\$287,591</td> <td style="width: 20%; text-align: center;">\$287,591</td> <td style="width: 10%; text-align: center;">\$287,591</td> </tr> <tr> <td>Amount allowed in 2002, Year 2</td> <td style="text-align: center;">\$287,591</td> <td style="text-align: center;">\$287,591</td> <td style="text-align: center;">\$287,591</td> </tr> <tr> <td>Amount allowed in 2003, Year 3</td> <td style="text-align: center;">\$287,591</td> <td style="text-align: center;">\$287,591</td> <td style="text-align: center;">\$287,591</td> </tr> </table> </div>		Amount allowed in 2001, Year 1	\$287,591	\$287,591	\$287,591	Amount allowed in 2002, Year 2	\$287,591	\$287,591	\$287,591	Amount allowed in 2003, Year 3	\$287,591	\$287,591	\$287,591
Amount allowed in 2001, Year 1	\$287,591	\$287,591	\$287,591														
Amount allowed in 2002, Year 2	\$287,591	\$287,591	\$287,591														
Amount allowed in 2003, Year 3	\$287,591	\$287,591	\$287,591														
1999 return from RUD Sheet #7		\$18,430				\$18,430											
Total Incremental revenue		\$862,774															
Permanent Changes to Base Rate (e.g. LPP 5% to 1.5%)		\$48,000				\$0											
C&DM Capital Portion from "C&DM TAX FORECAST" worksheet		42%															
Total Regulatory Income						\$881,203											
Equity		\$5,144,215															
Return at target ROE		\$508,248															
Debt		\$5,144,215															
Deemed interest amount in EBIT		\$372,956															



SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC)		ITEM	Proxy Calculation	Comments
Utility Name: Middlesex Power Distribution Corporation - E Reporting Period: January 1, 2005 - December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365			\$	
<b><u>I) CORPORATE INCOME TAXES</u></b>				
Regulatory Net Income		1	\$881,203	
BOOK TO TAX ADJUSTMENTS				
<b>Additions:</b>				
Depreciation & Amortization		2	\$457,151	
Employee Benefit Plans - Accrued, Not Paid		3	\$0	
Tax reserves deducted in prior year		4	\$0	
Reserves from financial statements-end of year		4	\$0	
Regulatory Adjustments		5	\$0	
<b>Other Additions</b>				
"Material" Items		6	\$0	
Other Additions		6	\$0	
"Material" Items		6	\$0	
Other Additions		6	\$0	
<b>Deductions:</b>				
Capital Cost Allowance and CEC		7	\$402,922	
Employee Benefit Plans - Paid Amounts		8	\$0	
Items Capitalized for Regulatory Purposes		9	\$0	
Regulatory Adjustments		10	\$0	
Interest Expense Deemed		11	\$372,956	
Tax reserves claimed in current year		4	\$0	
Reserves from F/S beginning of year		4	\$0	
Contributions to deferred income plans		3	\$0	
Contributions to pension plans		3	\$0	
Interest capitalized for accounting but deducted for tax		11	\$0	
Other Deductions				
"Material" Items		12	\$0	
C&DM 2005 Incremental OM&A expenses per C&DM Plan		12	\$70,000	
Material Items		12	\$0	
Other Deductions		12	\$0	
<b><u>REGULATORY TAXABLE INCOME</u></b>			<b>\$492,476</b>	
<b><u>CORPORATE INCOME TAX RATE</u></b>				
Deemed %		13	27.50%	
<b>REGULATORY INCOME TAX</b>			<b>\$135,431</b>	
Taxable Income x Rate				
Miscellaneous Tax Credits		14	\$0	
<b>Total Regulatory Income Tax</b>			<b>\$135,431</b>	

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC)		ITEM	Proxy Calculation	Comments
Utility Name: Middlesex Power Distribution Corporation - E Reporting Period: January 1, 2005 - December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365			\$	
Percentage used to determine the exemptions for capital tax and large corporations tax			0%	
<b>II) CAPITAL TAXES</b>				
Ontario				
Rate Base	15		\$10,288,429	
Less: Exemption	16		\$7,500,000	
Deemed Taxable Capital			\$2,788,429	
Rate (.3%)	17		0.3000%	
<b>Net Amount (Taxable Capital x Rate)</b>			<b>\$8,365</b>	
Federal (LCT)				
Base	18		\$10,288,429	
Less: Exemption	19		\$50,000,000	
Deemed Taxable Capital			\$0	
Rate (.175%)	20		0.1750%	
Gross Amount (Taxable Capital x Rate)			\$0	
Less: Federal Surtax	21		\$0	
<b>Net LCT</b>			<b>\$0</b>	
<b>III) INCLUSION IN RATES</b>				
Income Tax Rate used for gross- up			27.50%	
Income Tax (grossed-up)	22		\$186,801	
LCT (grossed-up)	23		\$0	
Ontario Capital Tax	24		\$8,365	
<b>Total S. 93 PILs Rate Adjustment</b> <i>(Enter this amount in the 2005 RAM, Sheet #4, cell G14)</i>		<b>25</b>	<b>\$195,167</b>	

## SECTION 93 PILs TAX GROSS-UP "SIMPIL"

### Corporate Tax Rates for 2005

Income Range	\$0 to \$400,000	\$400,001 to \$1,128,000	> \$1,128,000
<i>Income Tax Rate</i>	18.62%	27.50%	36.12%
Capital Tax Rate	0.300%		
LCT Rate	0.175%		
Surtax	1.12%		
Ontario Capital Tax Exemption	\$7,500,000		
Federal Large Corporations Tax Exemption	\$50,000,000		

## Conservation and Demand Management Tax Forecast

Utility Name: Middlesex Power Distribution Corporation - ED 2003 0059  
 File Number: RP-2005-0013  
 EB-2005-0048

	Jan - Dec 2005		Jan - Dec 2006		Jan - Sept 30 <sup>th</sup> 2007		Total		2004 Expenditures		Total CDM Plan Filed	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Capital</b>	\$50,000	42%	\$50,000	48%	\$50,000	100%	\$150,000	55%	\$0	0%	\$150,000	54%
<b>Tax Deductible Expense</b>	\$70,000	58%	\$55,000	52%	\$0	0%	\$125,000	45%	\$5,000	100%	\$130,000	46%
<b>Total</b>	<b>\$120,000</b>	<b>100%</b>	<b>\$105,000</b>	<b>100%</b>	<b>\$50,000</b>	<b>100%</b>	<b>\$275,000</b>	<b>100%</b>	<b>\$5,000</b>	<b>100%</b>	<b>\$280,000</b>	<b>100%</b>

**Notes:**

1. Capital that will be recognized for tax purposes (i.e. UCC addition), not from a capital budget or commitment perspective.
2. Expenses to be recognized in the period shown that will be used as a tax deduction for the same period. The 2005 tax deductible expense amount will be entered automatically into the TAXCALC worksheet, cell C44.
3. The amounts shown in the "Total" column should agree with the C&DM plan filed with or approved by the Board. The amount of the third tranche of MARR is the maximum amount unless the utility has applied for a lower amount.

**Attachment 7**

**Decision and Order EB-2005-0048**  
**Rates Effective April 1, 2005**



**RP-2005-0013**  
**EB-2005-0048**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c.15 (Schedule B);

**AND IN THE MATTER OF** an Application by  
**Middlesex Power Distribution Corporation** for an  
order or orders approving or fixing just and  
reasonable rates.

**BEFORE:** Gordon Kaiser  
Vice Chair and Presiding Member

Paul Vlahos  
Member

Pamela Nowina  
Member

## **DECISION AND ORDER**

### **Background and Application**

In November 2003 the Ontario government announced that it would permit local distribution companies to apply to the Board for the next installment of their allowable return on equity beginning March 1, 2005. The Government also indicated that the Board's approval would be conditional on a financial commitment to reinvest in conservation and demand management initiatives, an amount equal to one year's incremental returns.

Also in November 2003, the Government announced, in conjunction with the introduction of Bill 4, the *Ontario Energy Board Amendment Act, (Electricity Pricing), 2003*, that electricity distributors could start recovering Regulatory Assets in their rates, beginning March 1, 2004, over a four year period.

In February and March, 2004, the Board approved the applications of distributors to recover 25% of their December 31, 2002 Regulatory Asset balances (or additional amounts for rate stability) in their distribution rates on an interim basis effective March 1, 2004 and implemented on April 1, 2004.

On December 20, 2004 the Board issued filing guidelines to all electricity distribution utilities for the April 1, 2005 distribution rate adjustments. The guidelines allowed the applicants to recover three types of costs. These costs concern (i) the rate recovery of the third tranche of the allowable return on equity (Market Adjusted Revenue Requirement or "MARR"), (ii) the 2005 proxy allowance for payments in lieu of taxes ("PILs") and (iii) a second installment of the recovery of Regulatory Assets.

A generic Notice of the proceeding was published on January 25, 2005 in major newspapers in the province, which provided a 14 day period for submissions from interested parties. On February 4, 2005, the Board issued Procedural Order No. 1, providing for an extension for submissions until February 16, 2005 and also providing for reply submissions from applicants and other parties.

The Applicant filed an application on January 14, 2005. On March 8, 2005, the Applicant filed a revised application for adjustments to their rates for the following amounts:

**MARR:** \$ 280,000

**2005 PILs Proxy:** \$ 195,167

**Regulatory Assets Second Tranche:** \$ 227,616

The Applicant also applied for items outside of the guidelines. Specifically, the Applicant requested that it be allowed to allocate the PILs proxy and the non-RSVAs by 1999 distribution revenue shares. The original rate application in 2001 (RP-2000-0204/EB-2001-0503) did not provide for the reduction in transformer allowance thus creating a negative distribution share anomaly in the large user class. Consequently, this method was approved by the Board in 2002 (RP-2002-0094/EB-2002-0103) and 2004 (RP-2004-0066/EB-2004-0052) in order to avoid using negative distribution shares as an allocator.

In addition, the Applicant requested that it be allowed to allocate the RSVAs in a two-step process so as to avoid allocating account 1580 - Wholesale Market Service Charge to a large user who is a wholesale market participant. This method was also approved by the Board in 2004 (RP-2004-0066/EB-2004-0052).

The Applicant also requested the Board's permission to not provide the transformer allowance to its eligible customers effective, April 1, 2005.

### **Submissions**

The Board received one submission which addressed the 2005 rate setting process in general. This submission was made by School Energy Coalition (SEC). SEC objected to the guideline which caused the recovery of the 2005 PILs proxy to be reflected only on the variable charge. SEC was also concerned that monthly service charges and overall distribution charges varied significantly between utilities across the province. SEC also raised concerns regarding the



consistency of, and access to, information on the applications as filed by the utilities.

Reply submissions to SEC's general submissions were received from the Coalition of Large Distributors, the Electricity Distributors Association, Hydro One Networks, and the LDC Coalition (a group of 7 distributors). These parties generally argued against the recommendations put forward by SEC, by and large indicating that the Board's existing processes for 2006 and 2007 have been planned to address these issues going forward and that these issues should not be added to the 2005 rates adjustment process.

The Applicant was not specifically named in any of these submissions.

The full record of the proceeding is available for review at the Board's offices.

### **Board Findings**

The Board first addresses the general submission of SEC. While SEC raises important issues regarding electricity distribution rates, the Board has put in place a process which will address most of the issues raised by SEC on a comprehensive basis with coordinated cost of service, cost allocation and cost of capital studies for all distributors in 2006, 2007 and 2008. The Board does agree that unless there are compelling reasons to diverge from the Board's original filing guidelines for the 2005 distribution rate adjustment process, distributors should follow the guidelines in their applications.

The Board will approve the requested allocation methodologies as these will result in a more accurate allocation of costs but does not approve the request to not provide the transformer allowance to eligible customers.

Subject to these adjustments, the Board finds that the application conforms with earlier decisions of the Board (including approval for the Applicant's Conservation and Demand Management plan), directives and guidelines.

The Board will issue a separate decision on cost awards.

**THE BOARD ORDERS THAT:**

- 1) The rate schedule attached as Appendix "A" is approved effective March 1, 2005, to be implemented on April 1, 2005. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2005 implementation date, the new rates shall be implemented with the first billing cycle for electricity consumed or estimated to have been consumed after April 1, 2005.
- 2) The Applicant shall notify its customers of the rate changes, no later than with the first bill reflecting the new rates and include the brochure provided by the Board.

DATED at Toronto, March 29, 2005

ONTARIO ENERGY BOARD

*Original signed by*

Peter H. O'Dell  
Assistant Board Secretary

Appendix "A"

RP-2005-0013  
EB-2005-0048

March 29, 2005

ONTARIO ENERGY BOARD

**Middlesex Power Distribution Corporation**  
**Schedule of Changed Distribution Rates and Charges**

RP-2005-0013

EB-2005-0048

Effective Date: March 1, 2005

Implementation Date: April 1, 2005

**RESIDENTIAL**

Monthly Service Charge	(per month)	\$13.40
Distribution Volumetric Rate	(per kWh)	\$0.0160

**GENERAL SERVICE < 50 KW**

Monthly Service Charge	(per month)	\$17.44
Distribution Volumetric Rate	(per kWh)	\$0.0061

**GENERAL SERVICE > 50 KW (Non Time of Use)**

Monthly Service Charge	(per month)	\$42.71
Distribution Volumetric Rate	(per kW)	\$1.7482

**LARGE USE**

Monthly Service Charge	(per month)	\$1,904.93
Distribution Volumetric Rate	(per kW)	\$0.3543

**SENTINEL LIGHTS (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.90
Distribution Volumetric Rate	(per kW)	\$5.4365

**STREET LIGHTING (Non Time of Use)**

Monthly Service Charge	(per connection)	\$0.72
Distribution Volumetric Rate	(per kW)	\$3.5531

**Unmetered Scattered Loads**

Billed at General Service < 50 kW rates

The rates on this schedule include an interim recovery of Regulatory Assets.

**Attachment 8**  
**2001 Revised SIMPIL Model**

## Disposition of Balance Recorded in Account 1562 Deferred PILs

Distributor	Middlesex Power Distribution Corp. - Middlesex
OEB File Number	EB-2012-0098
Filing Year	2001

	A	B	C	D	E
1	PILs TAXES				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Middlesex Power Distribution Corp. - Middlesex			Colour Code	
4	Reporting period: 2001			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	92	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?	Y/N		Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?	Y/N		N	
16					
17	Is the utility a non-profit corporation?	Y/N		N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	Y	
20		LCT	Y/N	Y	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		98%	
22		LCT		0%	
23					
24	Accounting Year End		Date	31-Dec-01	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			10,288,429	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			881,204	
42					
43	1999 return from RUD Sheet #7			18,430	18,430
44					
45	Total Incremental revenue			862,774	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			287,591	287,591
48	Amount allowed in 2002				0
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				306,021
55					
56	Equity			5,144,215	
57					
58	Return at target ROE			508,248	
59					
60	Debt			5,144,215	
61					
62	Deemed interest amount in 100% of MARR			372,956	
63					
64	Phase-in of interest - Year 1 (2001)			129,519	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			129,519	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			129,519	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			372,956	
71					
72					

	A	B	C	D	E	F	G	H
1	PILs TAXES	ITEM	Initial		M of F		Tax	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing		Returns	
3	TAX CALCULATIONS (TAXCALC)				Variance			
4	("Wires-only" business - see Tab TAXREC)				K-C		Explanation	
5		0					Version 2009.1	
6	Utility Name: Middlesex Power Distribution Corp. - Middlesex							
7	Reporting period: 2001							
8							Column	
9	Days in reporting period:	92	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
14	II) CORPORATE INCOME TAXES							
15								
16	Regulatory Net Income REGINFO E53	1	76,505	-69,116			7,389	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	Additions:							
20	Depreciation & Amortization	2	114,288	360,951			475,239	
21	Employee Benefit Plans - Accrued, Not Paid	3		0			0	
22	Tax reserves - beginning of year	4		0			0	
23	Reserves from financial statements - end of year	4		0			0	
24	Regulatory Adjustments - increase in income	5		0			0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6		0			0	
27	Other Additions (not "Material") "TAXREC"	6		0			0	
28	"Material" Items from "TAXREC 2" worksheet	6		0			0	
29	Other Additions (not "Material") "TAXREC 2"	6		0			0	
30	Items on which true-up does not apply "TAXREC 3"			0			0	
31								
32	Deductions: Input positive numbers							
33	Capital Cost Allowance and CEC	7	50,384	-25,680			24,524	
34	Employee Benefit Plans - Paid Amounts	8		0			0	
35	Items Capitalized for Regulatory Purposes	9		0			0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10		0			0	
37	Interest Expense Deemed Incurred	11	65,354	302,739			368,093	
38	Tax reserves - end of year	4		0			0	
39	Reserves from financial statements - beginning of year	4		0			0	
40	Contributions to deferred income plans	3		0			0	
41	Contributions to pension plans	3		0			0	
42	Interest capitalized for accounting but deducted for tax	11		0			0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12		0			0	
45	Other Deductions (not "Material") "TAXREC"	12		0			0	
46	Material Items from "TAXREC 2" worksheet	12		0			0	
47	Other Deductions (not "Material") "TAXREC 2"	12		0			0	
48	Items on which true-up does not apply "TAXREC 3"			114,535			114,535	
49								
50	TAXABLE INCOME/ (LOSS)		75,055	(99,579)	Before loss C/F		(24,524)	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%	-15.0000%			19.12%	
54								
55	REGULATORY INCOME TAX		25,609	-25,609	Actual		0	
56								
57								
58	Miscellaneous Tax Credits	14		0	Actual		0	
59								
60	Total Regulatory Income Tax		25,609	-25,609	Actual		0	
61								
62								
63	III) CAPITAL TAXES							
64								
65	Ontario							
66	Base	15	10,288,429	-1,263,263			9,025,166	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000	-81,282			4,918,718	
68	Taxable Capital		5,288,429	-1,344,545			4,106,448	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%	0.0000%			0.3000%	
71								
72	Ontario Capital Tax		3,966	-861	Overpaid		3,105	
73								
74	Federal Large Corporations Tax							
75	Base	18	10,288,429	-10,288,429				
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000	0			10,000,000	
77	Taxable Capital		288,429	-10,288,429			0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%	0.0000%			0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		649	-649			0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	841	-841			0	
83								
84	Net LCT		0	192			0	
85								
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		34.12%					
89								
90	Income Tax (proxy tax is grossed-up)	22	38,872		Actual 2001		0	
91	LCT (proxy tax is grossed-up)	23	0		Actual 2001		0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	3,966		Actual 2001		3,105	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002	25	42,838		Actual 2002		3,105	
96	RAM DECISION							
97								
98								
99	IV) FUTURE TRUE-UPS							
100	IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions:							
102	Employee Benefit Plans - Accrued, Not Paid	3		0				
103	Tax reserves deducted in prior year	4		0				
104	Reserves from financial statements-end of year	4		0				
105	Regulatory Adjustments	5		0				
106	Other additions "Material" Items TAXREC	6		0				
107	Other additions "Material" Items TAXREC 2	6		0				
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8		0				
110	Items Capitalized for Regulatory Purposes	9		0				
111	Regulatory Adjustments	10		0				
112	Interest Adjustment for tax purposes (See Below - cell I204)	11		0				
113	Tax reserves claimed in current year	4		0				
114	Reserves from F/S beginning of year	4		0				
115	Contributions to deferred income plans	3		0				
116	Contributions to pension plans	3		0				
117	Other deductions "Material" Items TAXREC	12		0				
118	Other deductions "Material" Item TAXREC 2	12		0				



	A	B	C	D	E	F	G	H
1	PILs TAXES	ITEM	Initial		M of F			
2	PILs DEFERRAL AND VARIANCE ACCOUNTS	Estimate	Filing		M of F		Tax	
3	TAX CALCULATIONS (TAXCALC)		Variance		Variance		Returns	
4	("Wires-only" business - see Tab TAXREC)		K-C		Explanation			
5	0						Version 2009.1	
6	Utility Name: Middlesex Power Distribution Corp. - Middlesex							
7	Reporting period: 2001							
8							Column	
9	Days in reporting period:	92	days				Brought	
10	Total days in the calendar year:	365	days				From	
11							TAXREC	
12			\$		\$		\$	
13								
119								
120	Total TRUE-UPS before tax effect	26	=		0			
121								
122	Income Tax Rate (including surtax) from 2001 Utility's tax return		x		19.12%			
123								
124	Income Tax Effect on True-up adjustments		=		0			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				0			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				18.00%			
131								
132	TRUE-UP VARIANCE ADJUSTMENT				0			
133								
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)		=		75,055			
137								
138	REVISED CORPORATE INCOME TAX RATE (including Surtax)		x		19.12%			
139								
140	REVISED REGULATORY INCOME TAX		=		14,351			
141								
142	Less: Revised Miscellaneous Tax Credits		=		0			
143								
144	Total Revised Regulatory Income Tax		=		14,351			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)		=		25,609			
147								
148	Regulatory Income Tax Variance		=		(11,258)			
149								
150	Ontario Capital Tax							
151	Base		=		10,288,429			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39		=		5,000,000			
153	Revised deemed taxable capital		=		5,288,429			
154								
155	Rate - Tab Tax Rates cell C54		x		0.3000%			
156								
157	Revised Ontario Capital Tax		=		3,999			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)		=		3,966			
159	Regulatory Ontario Capital Tax Variance		=		33			
160								
161	Federal LCT							
162	Base		=		10,288,429			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40		=		10,000,000			
164	Revised Federal LCT		=		288,429			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51		=		0.2250%			
167								
168	Gross Amount		=		164			
169	Less: Federal surtax		=		841			
170	Revised Net LCT		=		0			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)		=		0			
173	Regulatory Federal LCT Variance		=		0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)		=		18.00%			
176								
177	Income Tax (grossed-up)		+		(13,730)			
178	LCT (grossed-up)		+		0			
179	Ontario Capital Tax		+		33			
180								
181	DEFERRAL ACCOUNT VARIANCE ADJUSTMENT		=		(13,697)			
182								
183	TRUE-UP VARIANCE (from cell I130)		+		0			
184								
185	Total Deferral Account Entry (Positive Entry = Debit)		=		(13,697)			
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	VI INTEREST PORTION OF TRUE-UP							
191	Variance Caused By Phase-in of Deemed Debt							
192								
193	Total deemed interest (REGINFO)		=		372,956			
194	Interest phased-in (Cell C36)		=		129,519			
195								
196	Variance due to phase-in of debt component of MARR in rates		=		243,437			
197	according to the Board's decision							
198								
199	Other Interest Variances (i.e. Borrowing Levels							
200	Above Deemed Debt per Rate Handbook)							
201	Interest deducted on MoF filing (Cell K36+K41)		=		368,093			
202	Total deemed interest (REGINFO CELL D61)		=		372,956			
203								
204	Variance caused by excess debt		=		0			
205								
206	Interest Adjustment for Tax Purposes (carry forward to Cell I110)		=		0			
207								
208	Total Interest Variance		=		243,437			
209								
210								
211								

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
6	<b>Section A: Identification:</b>					
7	Utility Name: Middlesex Power Distribution Corp. - Middlesex					
8	Reporting period: 2001					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		92	days		
12						
13	Please enter the Materiality Level :		0	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+	13,115,102		13,115,102	
32	Distribution Revenue	+	1,397,408		1,397,408	
33	Other Income	+	249,903		249,903	
34	Miscellaneous income	+	0		0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	13,115,102		13,115,102	
40	Administration	-	504,406		504,406	
41	Customer billing and collecting	-	289,414		289,414	
42	Operations and maintenance	-	370,863		370,863	
43	Amortization	-	475,239		475,239	
44	Ontario Capital Tax	-	0		0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	7,389	0	7,389	
51	Less: Interest expense for accounting purposes	-	368,093		368,093	
52	Provision for payments in lieu of income taxes	-			0	
53	<b>Net Income (loss)</b>	=	-360,704	0	-360,704	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	0	0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	475,239	0	475,239	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	<b>Subtotal</b>		475,239	0	475,239	
71						
72	<b>Other Additions: (Please explain the nature of the additions)</b>					
73	Recapture of CCA	+			0	

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	<i>Total Other Additions</i>	=	0	0	0	
81						
82	<i>Total Additions</i>	=	475,239	0	475,239	
83						
84	<b>Recap Material Additions:</b>					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	<i>Total Other additions &gt;materiality level</i>		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	<i>Total Other Additions</i>		0	0	0	
95						
96	<b>BOOK TO TAX DEDUCTIONS:</b>					
97	Capital cost allowance	-	24,524		24,524	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	<i>Regulatory adjustments :</i>	-			0	
102	CCA	-			0	
103	<i>other deductions</i>	-			0	
104	<i>Tax reserves - end of year</i>	-	0	0	0	
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0	
106	<i>Contributions to deferred income plans</i>	-			0	
107	<i>Contributions to pension plans</i>	-			0	
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		114,535	0	114,535	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	<i>Subtotal</i>	=	139,059	0	139,059	
114	<i>Other deductions (Please explain the nature of the deductions)</i>					
115	<b>Charitable donations - tax basis</b>	-			0	
116	<i>Gain on disposal of assets</i>	-			0	
117		-			0	
118		-			0	
119		-			0	
120	<i>Total Other Deductions</i>	=	0	0	0	
121						
122	<i>Total Deductions</i>	=	139,059	0	139,059	
123						
124	<b>Recap Material Deductions:</b>					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	<i>Total Other Deductions exceed materiality level</i>		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	<i>Total Other Deductions</i>		0	0	0	
133						
134	<b>TAXABLE INCOME</b>	=	-24,524	0	-24,524	
135	<b>DEDUCT:</b>					
136	Non-capital loss applied <b>positive number</b>	-			0	
137	Net capital loss applied <b>positive number</b>	-			0	
138					0	
139	<b>NET TAXABLE INCOME</b>	=	(24,524)	0	(24,524)	
140						
141	<b>FROM ACTUAL TAX RETURNS</b>					
142	Net Federal Income Tax <b>(Must agree with tax return)</b>	+			0	

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	Non-wires	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	Eliminations	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		<b>0</b>	<b>Return</b>			
5					<b>Version 2009.1</b>	
143	Net Ontario Income Tax (Must agree with tax return)	+			0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	<b>Total Income Tax</b>	=	0	0	0	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
151	Blended Income Tax Rate		0.00%	*****	0.00%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	3,105		3,105	
158	Federal Large Corporations Tax	+			0	
159						
160	<b>Total income and capital taxes</b>	=	3,105	0	3,105	
161						
162						

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	0				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Middlesex Power Distribution Corp. - Middlesex</b>					
8	<b>Reporting period: 2001</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	OPEB				0	
60	Regulatory Reserves				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						
65						

	A	B	C	D	E
1					
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>
5	<b>RATEPAYERS ONLY</b>		Return		
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>
7					
8	Utility Name: Middlesex Power Distribution Corp. - Middlesex				
9	Reporting period: 2001				
10	Number of days in taxation year:		92		
11	Materiality Level:		0		
12					
13					
14					
15	<b>Section C: Reconciliation of accounting income to taxable income</b>				
16	<b>Add:</b>				
17		+			0
18	Gain on sale of eligible capital property	+			0
19	Loss on disposal of assets	+			0
20	Charitable donations (Only if it benefits ratepayers)	+			0
21	Taxable capital gains	+			0
22		+			0
23	Scientific research expenditures deducted	+			0
24	per financial statements	+			0
25	Capitalized interest	+			0
26	Soft costs on construction and renovation of buildings	+			0
27	Capital items expensed	+			0
28	Debt issue expense	+			0
29	Financing fees deducted in books	+			0
30	Gain on settlement of debt	+			0
31	Interest paid on income debentures	+			0
32	Recapture of SR&ED expenditures	+			0
33	Share issue expense	+			0
34	Write down of capital property	+			0
35	Amounts received in respect of qualifying environment trust	+			0
36	Provision for bad debts	+			0
37		+			0
38		+			0
39		+			0
40	Other Additions: (please explain in detail the nature of the item)	+			0
41		+			0
42		+			0
43		+			0
44		+			0
45		+			0
46	Total Additions	=	0	0	0
47					
48	Recap of Material Additions:				
49			0	0	0
50			0	0	0
51			0	0	0
52			0	0	0
53			0	0	0
54			0	0	0
55			0	0	0
56			0	0	0
57			0	0	0
58			0	0	0
59			0	0	0
60			0	0	0
61			0	0	0
62			0	0	0
63			0	0	0
64			0	0	0
65			0	0	0
66			0	0	0
67			0	0	0
68			0	0	0
69			0	0	0
70			0	0	0
71			0	0	0
72			0	0	0
73			0	0	0

	A	B	C	D	E
1					
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>
5	<b>RATEPAYERS ONLY</b>		Return		
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>
7					
8	Utility Name: Middlesex Power Distribution Corp. - Middlesex				
9	Reporting period: 2001				
10	Number of days in taxation year:		92		
11	Materiality Level:		0		
12					
13					
74			0	0	0
75			0	0	0
76			0	0	0
77	Total Material additions		0	0	0
78	Other additions less than materiality level		0	0	0
79	Total Additions		0	0	0
80					
81	Deduct:				
82	Gain on disposal of assets per f/s	-			0
83	Dividends not taxable under section 83	-			0
84	Terminal loss from Schedule 8	-			0
85	Depreciation in inventory, end of prior year	-			0
86	Scientific research expenses claimed in year from Form T661	-			0
87	Bad debts	-			0
88	Book income of joint venture or partnership	-			0
89	Equity in income from subsidiary or affiliates	-			0
90	Contributions to a qualifying environment trust	-			0
91	Other income from financial statements	-			0
92		-			0
93		-			0
94		-			0
95	Other deductions: (Please explain in detail the nature of the item)	-			0
96		-			0
97		-			0
98		-			0
99	Total Deductions	=	0	0	0
100					
101	Recap of Material Deductions:				
102			0	0	0
103			0	0	0
104			0	0	0
105			0	0	0
106			0	0	0
107			0	0	0
108			0	0	0
109			0	0	0
110			0	0	0
111			0	0	0
112			0	0	0
113			0	0	0
114			0	0	0
115			0	0	0
116			0	0	0
117			0	0	0
118			0	0	0
119	Total Deductions exceed materiality level		0	0	0
120	Other deductions less than materiality level		0	0	0
121	Total Deductions		0	0	0

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	Wires-only	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return			
8	Utility Name: Middlesex Power Distribution Corp. - Middlesex				Version 2009.1	
9						
10						
11	Reporting period: 2001					
12	Number of days in taxation year:		92			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	



	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	Utility Name: Middlesex Power Distribution Corp. - Middlesex				<b>Version 2009.1</b>	
9						
10						
11	Reporting period: 2001					
12	Number of days in taxation year:			92		
13						
14						
69	Section 149(1)(d.6) adjustment relating to financial statement income relating to the period prior to Oct 1, 2001 when the entity was a commission	-	114,535		114,535	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	114,535	0	114,535	
74						
75						

	A	B	C	D	E	F	G
1	PILs TAXES						
2	Corporate Tax Rates			Version 2009.1			
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: Middlesex Power Distribution Corp. - Middlesex						
5	Reporting period: 2001						
6							
7							
8	Rates Used in 2001 RAM PILs Applications for 2002						Table 1
9	Income Range		0		200,001		
10	RAM 2002		to		to		>700,000
11		Year	200,000		700,000		
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%		26.12%
15	and Ontario blended		6.00%		6.00%		12.50%
16	Blended rate		19.12%		34.12%		38.62%
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing						
24							
25							
26	Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2002						Table 2
27	Income Range		0		200,001		
28	Expected Rates		to		to		>700,000
29		Year	200,000		700,000		
30	Income Tax Rate						
31	Current year	2001					
32	Federal (Includes surtax)	2001	13.12%		26.12%		26.12%
33	Ontario	2001	6.00%		6.00%		12.50%
34	Blended rate	2001	19.12%		32.12%		38.62%
35							
36	Capital Tax Rate	2001	0.300%				
37	LCT rate	2001	0.225%				
38	Surtax	2001	1.12%				
39	Ontario Capital Tax Exemption *** 2001	MAX \$5MM	5,000,000				
40	Federal Large Corporations Tax Exemption *** 2001	MAX \$10MM	10,000,000				
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.						
42							
43							
44	Input Information from Utility's Actual 2001 Tax Returns						Table 3
45	Income Range		0		200,001		
46			to		to		>700,000
47		Year	200,000		700,000		
48	Income Tax Rate						
49	Current year	2001					
50	Federal (Includes surtax)		13.12%		22.12%		28.12%
51	Ontario		6.00%		9.75%		13.10%
52	Blended rate		19.12%		31.87%		41.22%
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.225%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,918,718				
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000				
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36						
60							
61							
62							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	<b>PILS TAXES</b>															
2	Analysis of PILs Tax Account 1562:															
3	Utility Name: Middlesex Power Distribution Corp. - Middlesex															
4	Reporting period: 2001															
5																
6																
7																
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006			
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total	
10																
11	Opening balance:	=	0		-13,697		-13,697		-13,697		-13,697		-13,697		0	
12	Board-approved PILs tax proxy from Decisions (1)	+/-													0	
14	True-up Variance Adjustment Q4, 2001 (2)	+/-	0												0	
16	True-up Variance Adjustment (3)	+/-													0	
18	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-	-13,697												-13,697	
20	Deferral Account Variance Adjustment (5)	+/-													0	
22	Adjustments to reported prior years' variances (6)	+/-													0	
23	Carrying charges (7)	+/-													0	
25	PILs billed to (collected from) customers (8)	-	0												0	
26																
27	Ending balance: # 1562		-13,697		-13,697		-13,697		-13,697		-13,697		-13,697		-13,697	
28																
29																
30																
31	<b>Uncollected PILs</b>															
32																
33	<b>NOTE:</b> The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.															
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.															
35																
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:															
37																
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.															
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.															
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.															
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.															
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.															
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.															
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.															
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.															
46																
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be															
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.															
49																
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.															
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.															
52																
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be															
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.															
55																
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.															
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.															
58																
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.															
60																
61	(7) Carrying charges are calculated on a simple interest basis.															
62																
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate															
64	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the															
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.															
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.															
67																
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied															
69	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;															
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.															
71																
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,															
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.															
74																
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,															
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used															
77	to calculate the recovery for the period January 1 to March 31, 2005.															
78																
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes															
80	will have to include amounts from 1562 and from 1590.															
81																
82																

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**Attachment 9**  
**2001 Financial Statements**

**MIDDLESEX POWER DISTRIBUTION CORPORATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2001**

CHRISTENE A. SCRIMGEOUR

C H A R T E R E D A C C O U N T A N T

AUDITOR'S REPORT

To the Shareholder and Board of Directors:

I have audited the balance sheet of the Middlesex Power Distribution Corporation as at December 31, 2001 and the statements of operations, equity and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Middlesex Power Distribution Corporation as at December 31, 2001 and the results of its operations and changes in financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

November 29, 2002  
London, Canada

*Christene Scrimgeour*

CHARTERED ACCOUNTANT

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**BALANCE SHEET**  
**DECEMBER 31, 2001**  
(with comparative figures as at December 31, 2000)

	<u>2001</u>	<u>2000</u>
<b>ASSETS</b>		
Current		\$
Cash and short term investments		72,866
Accounts receivable	\$ 1,652,013	384,869
Due from Township of Strathroy Caradoc - Water Department	345,426	255,868
Unbilled revenue	688,989	1,506,039
Inventory	358,852	703,908
Prepaid expenses	707	39,271
	<u>3,045,987</u>	<u>2,962,821</u>
Capital - at cost		
Distribution plant	7,199,852	6,633,287
General plant	<u>2,076,145</u>	<u>2,069,122</u>
	9,275,997	8,702,409
Less accumulated amortization	<u>555,464</u>	<u>80,239</u>
	<u>8,720,533</u>	<u>8,622,170</u>
Other assets		
Investment in ENERconnect (note 3)		24,000
Transition costs (note 2)	78,928	
	<u>78,928</u>	<u>24,000</u>
Total assets	<u>\$ 11,845,448</u>	<u>\$ 11,608,991</u>
<b>LIABILITIES AND EQUITY</b>		
Current		
Bank overdraft	\$ 271,297	
Bank loan (note 6)	382,408	\$ 421,000
Accounts payable and accrued liabilities	2,273,226	1,863,431
Due to Middlesex Energy Services Corporation	23,686	1,704
Customers' deposits	60,000	115,595
	<u>3,010,617</u>	<u>2,401,730</u>
Long term		
Long-term debt (note 7)	527,875	615,000
Promissory notes payable (note 8)	4,356,925	4,356,925
Employee future benefits	135,229	
Customers' deposits	64,708	
	<u>5,084,737</u>	<u>4,971,925</u>
Total liabilities	<u>8,095,354</u>	<u>7,373,655</u>
Shareholder's Equity		
Common shares (note 9)	4,631,198	4,631,198
Accumulated net earnings (deficit) - Statement 2	<u>(881,104)</u>	<u>(395,862)</u>
	<u>3,750,094</u>	<u>4,235,336</u>
Total liabilities and shareholder's equity	<u>\$ 11,845,448</u>	<u>\$ 11,608,991</u>

The accompanying notes are an integral part of this financial statement.



**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
(with comparative figures for the two months ended December 31, 2000)

	<u>2 0 0 1</u>	<u>2 0 0 0</u>
<b>Service revenue</b>		
Residential	\$ 5,098,906	\$ 788,048
General	6,794,901	1,022,242
Commercial and industrial	2,508,914	400,145
Street lighting	<u>109,789</u>	<u>15,717</u>
	14,512,510	2,226,152
	<u>13,115,102</u>	<u>2,243,125</u>
<b>Cost of power</b>	<u>1,397,408</u>	<u>(16,973)</u>
<b>Gross margin on service revenue</b>		
<b>Expenditures</b>		
Administration and general	504,406	157,526
Customers' billing and collecting	289,414	42,101
Distribution expenses - operations	91,226	22,267
Distribution expenses - maintenance	279,637	34,753
Amortization (note 1)	475,239	76,068
Interest	<u>368,093</u>	<u>65,854</u>
	<u>2,008,015</u>	<u>398,569</u>
	<u>(610,607)</u>	<u>(415,542)</u>
<b>Net operating revenue (loss)</b>		
Other revenue (expenditures)		
Interest, late payment and miscellaneous charges	<u>249,903</u>	<u>19,680</u>
<b>Net earnings (loss) for the period</b>	<u>\$ (360,704)</u>	<u>\$ (395,862)</u>

The accompanying notes are an integral part of this financial statement.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

Middlesex Power Distribution Corporation was incorporated in Ontario on April 11, 2000 to distribute electrical power in accordance with Section 144 of the Electricity Act, 1998.

The Corporations of the Town of Strathroy, the Township of Caradoc and the Town of Parkhill passed bylaws transferring the assets and liabilities of their respective Hydro Electric Commissions effective November 1, 2000 to Middlesex Power Distribution Corporation Middlesex.

1. Significant accounting policies

The Corporation's financial statements have been prepared in accordance with accounting principles for Electric Utilities as prescribed by the Ontario Energy Board. All principles employed are in accordance with the generally accepted accounting principles.

Short term investments

The short term investments are recorded at cost which approximates market value.

Accounts receivable

Accounts receivable are shown net of an allowance for doubtful accounts of \$41,533 (2000 - \$ 31,533).

Inventories

Inventories consist of material and supplies purchased for future use and are valued at cost using the average cost method.

Capital assets and amortization

Capital assets are amortized on a straight line basis over their anticipated useful lives as determined by the Ontario Energy Board. Capital assets include transformers which are in inventory as prescribed by the Ontario Energy Board.

Revenue Recognition

Revenue is recorded using the accrual basis of accounting and is based on regular meter readings and estimates of customer usage since the last meter reading date to the end of the year.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

2. Transition Costs

Transition costs are recorded as a current asset. These costs were incurred in order to prepare the Corporation for the deregulated electricity industry, which opened May 1, 2002. These costs are not currently recoverable from rates and will be recovered from customers in future periods after approval from the Ontario Energy Board.

3. Investment in ENERconnect

The former Strathroy Hydro Commission signed an Agreement in March, 1998 to invest \$24,000 (\$8,000 per year from 1998 to 2000 inclusive) in a company called ENERconnect. This investment has been written off against expenditures in the current year as there does not appear to be a future benefit to this investment.

4. Pension agreements

The Corporation makes contributions to the Ontario Municipal Employees Retirement Savings Pension Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a contributory defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Effective August 1, 1998, the Pension Fund started a premium holiday for the members which results in a savings for both the employer and employees. The amount contributed to OMERS for 2001 is \$NIL (2000 \$NIL).

5. Class action lawsuit

A class action claiming \$500 million in restitutionary payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against Toronto Hydro Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged Late Payment charges on overdue utility bills at any time after April 1, 1981. The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under Section 347(1)(b) of the Criminal Code. The Electricity Distributors Association is undertaking the defense of this class action. At this time it is not possible to quantify the effect, if any, on the financial statements of the Corporation.

6. Bank loan

The Corporation has a demand instalment loan of \$382,408 (2000 - \$421,000) which is repayable over the next nine years at monthly payments of \$3,508 plus interest which is 1% over prime.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

11. Post employment benefit

The Corporation is liable for providing certain life insurance benefits for its retirees until their date of death. In accordance with the requirements of the Canadian Institute of Chartered Accountants, the present value of these benefits are to be accrued in these financial statements. The corporation received an actuarial evaluation of this liability in 2001 and has accrued the opening accrual of for this benefit \$124,538 against retained earnings as the benefit arose in prior periods.

12. Pre-market Power Purchase Variance Account

In 2001, the Ontario Energy Board approved the electricity rates for the first time. As part of this rate approval, Middlesex Power Distribution Corporation was required to unbundle the rates charged between distribution revenue and cost of power revenue.

The Corporation may be able to recover any variance in the cost of power. The Ontario Energy Board may treat the cost of power as a pass through which will allow the Corporation to recover the variance from customers in future periods. However, due to recent announcements by the Ontario Government, this recovery is undeterminable at this time.

As well, the Ontario Government has announced they will cap the amount charged to customers for cost of power. The Corporation has not exceeded this capped amount during 2001, but the implications of this announcement on the cost of power the Corporation paid has not yet been disclosed. Therefore, the amount, if any, of a rebate of the cost of power is undeterminable at this time.

**Attachment 10**  
**2001 Tax Returns**



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)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. 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).

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.

MCBS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide) ☒ Yes ☐ No **Page 1 of 24**

Corporation's Legal Name (including punctuation) Middlesex Power Distribution Corporation				Ontario Corporations Tax Account No. (MOF) 1800268	
Mailing address Tomas Enright 351 Frances Street				This CT23 Return covers the Taxation Year	
City Strathroy		Province ON	Country CA	Postal code N7G 2C7	Start 2001/10/01
City Strathroy		Province ON	Country CA	Postal code N7G 2C7	End 2001/12/31
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes		Date of change		Date of Incorporation or Amalgamation 2000/04/11	
Registered/Head Office Address 351 Frances Street				Ontario Corporation No. 1800268 (MCBS)	
City Strathroy		Province ON	Country CA	Postal code N7G 2C7	Canada Customs and Revenue Agency Business No. 865701635RC0001
Location of Books and Records 51 Frances Street		Province ON	Country CA	Postal code N7G 2C7	Jurisdiction Incorporated Ontario
City Strathroy		Province ON	Country CA	Postal code N7G 2C7	If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced Ceased <input checked="" type="checkbox"/> Not Applicable
Name of person to contact regarding this CT23 Return Thomas Enright		Telephone No. (519) 245-2010	Fax No. (519) 245-5384	Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français	
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS) City Province Country Postal code				Ministry Use 	
Former Corporation Name (Extra-Provincial Corporations only) <input type="checkbox"/> Not applicable (MCBS)					
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). No. of Schedule(s) 4					
If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please check <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). <input type="checkbox"/> No Change					
<b>Certification (MCBS)</b>					
I certify that all information set out in the Annual Return is true, correct and complete.					
Signature of Authorized Person Thomas Enright					
Title: <input type="checkbox"/> Director <input checked="" type="checkbox"/> Officer <input type="checkbox"/> 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.					

Taxation Year End

**Exempt From Filing (EFF)  
Corporations Tax Return Declaration**

Page 2 of 24

Corporation's Legal Name

Ontario Corporations Tax Account No. (MOF)

I, \_\_\_\_\_ declare that:

The above corporation satisfies **all** of the exempt from filing criteria (a) through (f) below for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

**Criteria for exempt from filing status:**

- |  |   |
|--|---|
| <p>a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;</p> <p>b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);</p> <p>c) had no Ontario Corporations Tax payable for the taxation year;</p> | <p>d) was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more shares owned by Canadian residents as defined by the <i>Income Tax Act</i> (Canada));</p> <p>e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and</p> <p>f) is NOT subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed \$5 million or whose total revenues exceed \$10 million for the taxation year).</p> |
|--|---|

Signature

Title/Relationship to Corporation

Telephone number

Date

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

**NOTE 1: Filing of this declaration and the Annual Return does not constitute the filing of a Corporations Tax Return under section 75 of the *Corporations Tax Act*.**

**NOTE 2:** The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

1. If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.

2. If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.
3. If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

The following 3 items **MUST** be completed if the EFF declaration only is being submitted at this time. In cases where the annual return, which includes page 1, is also being filed, completion of these fields is NOT necessary.

**1. Corporation's Mailing Address**

City

Province

Country

Postal code

**2. Ontario Corporation  
No. (MCBS)**
**3. Canada Customs and Revenue Agency  
Business No.**

RC

A corporation must file an **Exempt From Filing Corporations Tax Return Declaration** form for each taxation year that the corporation is exempt from filing, **within 6 months** after the end of its taxation year, to the address shown at the top of Page 1.

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return.

To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes No

☒ ☐

(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year.

(nearest whole percentage)  
Indicate Share Capital with full voting rights owned by Canadian Residents 100 %

☒ ☐

(b) The corporation's taxable income for the taxation year is \$200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (Refer to guide)

☐ ☒

(c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.

Yes No

☐ ☒

(d) The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each \$1,500,000 or less and the corporation is not a financial institution; OR  
The corporation's taxation year commences after September 30, 2001, and its gross revenue and total assets are each \$3,000,000 or less and the corporation is not a financial institution.

☒ ☐

(e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).

☒ ☐

(f) The corporation's Ontario allocation factor is 100%.

**NOTE:** Family Farm or Fishing corporations that have a taxation year ending on or after January 1, 2000 and that are NOT subject to the Corporate Minimum Tax, may also use the CT23 Short-Form Corporations Tax Return if the corporation checks "Yes" to (a), (b), (c), (e) and (f) above.

**CT23 Corporations Tax Return**

CT23 Page 3 of 24

*Identification continued (for CT23 filers only)***Type of Corporation - Please check (✓) box(es) if applicable in sections 1 & 2**

- 1** ☒ 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 %) 100 %

Ontario Retail Sales Tax Vendor Permit No.  
(Use Head Office No.)Ontario Employer Health Tax Account No.  
(Use Head Office No.)Specify major business activity  
Distribution of electricity

- 2** ☐ 1 ☐ Family Farm Corporation s.1(2)
- 2** ☐ Family Fishing Corporation s.1(2)
- 3** ☐ Mortgage Investment Corp 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 Corp 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 Corp 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 institutions 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 check (✓) box(es) if applicable:**

- ☒ First Year of Filing
- ☐ Amended Return
- ☐ Taxation Year End has changed - Canada Customs and Revenue Agency 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: \_\_\_\_\_

Was the corporation inactive throughout the taxation year?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Are you requesting a refund due to: the Carry-back of a Loss?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
an Overpayment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
a Specified Refundable Tax Credit?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Are you a Member of a Partnership or a Joint Venture?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>



**Income Tax****CT23 Page 4 of 24**

**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).

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From 690 ±	
Subtract: Charitable donations	1 -	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	2 -	
Subtract: Taxable dividends deductible, per federal T2 SCH 3	3 -	
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002)	4 -	
Subtract: Federal Part VI.1 tax X 9/3	5 -	
Subtract: Prior years' losses applied - Non-capital losses	From 704	
	From 715	inclusion
Net capital losses (page 16) X rate 50.000000 % =	714	
Farm losses	From 724 -	
Restricted farm losses	From 734 -	
Limited partnership losses	From 754 -	
<b>Taxable income (Non-capital loss)</b>	10 =	
Addition to taxable income for unused foreign tax deduction for federal purposes	11 +	
<b>Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)</b>	20 =	

<b>Taxable Income</b>	<b>Number of days in Taxation Year</b>
	Days after Sept 30, 2001 and before Jan 1, 2004      Total days
From 10 (or 20) X30 100.0000 % X 12.5 % X 33 92 + 73 92 =	29 +
Ontario Allocation	Days after Dec 31, 2003      Total days
From 10 (or 20) X30 100.0000 % X 14.0 % X 34 + 73 92 =	32 +
Ontario Allocation	
<b>Income Tax Payable (before deduction of tax credits) 29 + 32</b>	40 =

**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 year? (✓) ☐ Yes ☒ No

\* Income from active business carried on in Canada

for federal purposes (fed.s.125(1)(a))	50	
Federal taxable income, less adjustment		
for foreign tax credit (fed.s.125(1)(b))	51 +	
Add: Losses of other years deducted for federal purposes (fed.s.111)	52 +	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	53 -	
	=	54

Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)

**Ontario Business Limit Calculation**

Days after Sept. 30, 2001 and before Jan. 1, 2003	
280,000 X 28 92 + ** 365 =+ 43 70,575	
Days after Dec. 31, 2002 and before Jan. 1, 2004	
320,000 X 31 + ** 365 =+ 46	
Days after Dec. 31, 2003	
400,000 X 34 + ** 365 =+ 47	
Business limit for Ontario purposes 43 + 46 + 47 = 44 70,575 X 48 75.0000 % = 45 52,931	

\*\*\* Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated

**Income eligible for the IDSBC** From 30 100.0000 % X 56 60 =

\*\*\*\* 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)).

**Income Tax** *continued from Page 4*

		Number of Days in Taxation			
Year		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days	
Calculation of IDSBC Rate	6.5 % X 28	92	+ 73	92 = 79 +	6.5000
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days	
	7.0 % X 31		+ 73	92 = 89 +	
		Days after Dec 31, 2003		Total Days	
	8.5 % X 34		+ 73	92 = 90 +	
<b>IDSBC Rate for Taxation Year 79 + 89 + 90</b>					<b>78 = 6.5000</b>
Claim	From 60	X From 78	6.5000 %	70	

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 +

**If you are a member of an associated group** (✓) 81 ☒ (Yes)

Taxable income of associated corporations (*Attach schedule*) 82 +

Aggregate Taxable Income 85

		Number of days in Taxation Year			
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days	
Subtract: 280,000 X	28	92	+ 73	92 = 113 +	280,000
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days	
320,000 X	31		+ 73	92 = 115 +	
		Days after Dec 31, 2003		Total Days	
400,000 X	34		+ 73	92 = 116 +	
				<b>113 + 115 + 116</b>	<b>= 280,000 ▶</b>
				<b>114 -</b>	<b>280,000</b>
(If negative, enter nil)				<b>86 =</b>	

		Number of Days in Taxation Year			
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days	
Calculation of Specified Rate for Surtax	4.333% X 28	92	+ 73	92 = 95 +	4.3330
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days	
	4.667% X 31		+ 73	92 = 96 +	
		Days after Dec 31, 2003		Total Days	
	4.667% X 34		+ 73	92 = 97 +	
<b>Specified rate of surtax for Taxation Year 95 + 96 + 97</b>					<b>94 = 4.3330</b>
From 86	X From 94	4.3330 % =		87 =	
From 87	X From 60	+ From 114	280,000	88 =	
<b>Surtax: Lesser of 70 or 88</b>					<b>100 =</b>

**Income Tax** *continued from Page 5***CT23 Page 6 of 24****Additional Deduction for Credit Unions (s.51(4)) (Attach schedule 17)**110 **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	<input type="text"/>
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From 56	-

Add: Adjustment for Surtax on Canadian-controlled private corporations  
 From 100  + From 30  100.0000 % + From 78  6.5000 % = 121   
 \*Ontario Allocation

Lesser of 56 or 121	122	+
120 - 56 + 122	130	=

<b>Taxable income</b>	From 10	+
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From 56	-
Add: Adjustments for Surtax on Canadian-controlled private corporations	From 122	+
Subtract: Taxable income 10 X Allocation % to jurisdictions outside Canada	140	<input type="text"/>
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	141	<input type="text"/>
10 - 56 + 122 - 140 - 141	142	=

**Claim****Number of Days in Taxation Year**

		Days after Sept 30, 2001 and before Jan 1, 2004		Total Days	
143	X From 30	100.0000 % X 1.5% X	33	92 + 73	92 = 154 +
Lesser of 130 or 142		*Ontario Allocation			
		Days after Dec 31, 2003		Total Days	
143	X From 30	100.0000 % X 2.0% X	34	92 + 73	92 = 156 +
Lesser of 130 or 142		*Ontario Allocation			

M&P claim for taxation year	154 + 156	160	=
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*\*Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1)).*

<b>Manufacturing and Processing Profits Credit for Electrical Generating Corporations</b>	161	<input type="text"/>
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<b>Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity</b>	162	<input type="text"/>
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**Credit for Foreign Taxes Paid (s.40)**

<i>Applies</i> if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) (Attach schedule).	170	<input type="text"/>
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**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	<input type="text"/>	Credit claimed	180	<input type="text"/>
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<b>Subtotal of Income Tax</b>	40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180	190	=
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**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 **Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies* to employment of eligible students.Eligible credit from **5798** Summary Schedule F192 **Ontario Film and 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 (MFO) 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 **Graduate Transitions Tax Credit (GTTC) (s.43.6)***Applies* to employment of eligible unemployed post secondary graduate.No. of Graduates from **6596**  
194 Eligible Credit from **6598** Summary Schedule G195 **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 **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 **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 **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 (MFO) 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 **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 **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 **Total Specified Tax Credits:** 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201220 **Specified Tax Credits Applied to reduce Income Tax**225 **Income Tax** 190 - 225 OR Enter NIL if reporting Non-Capital Loss (amount cannot be negative)230 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**.

**Corporate Minimum Tax (CMT)****CT23 Page 8 of 24****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 +	11,845,448	
* Total Revenue of the corporation			241 + 15,951,591

If you are a member of an associated group (✓) 242 ☒ (Yes)

Total Assets of associated corporations (Attach schedule)	243 +	4,878,327	
Total Revenue of associated corporations (Attach schedule)			244 + 18,937
Aggregate Total Assets	249 =	16,723,775	
Aggregate Total Revenue			250 = 15,970,528

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.)

Gross CMT Payable	CMT Base From 2135	X	From 30	100.0000 % X 4%	276 =
	If negative, enter zero			Ontario Allocation	
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)					277
Subtract: Income Tax				From 190 -	
Net CMT Payable (if negative, enter Nil on page 17.)					280

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 &amp; 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

**Application of CMT Credit Carryovers**

A.	Income Tax (before deduction of specified credits)		From 190 +
	Gross CMT payable	From 276 +	
	Subtract: Foreign Tax Credit for CMT purposes	From 277 -	
	If 276 - 277 is negative, enter NIL in 290	=	290 -
	Income Tax eligible for CMT Credit		300 =
B.	Income Tax (after deduction of specified credits)		From 230 +
	Subtract: CMT credit used to reduce income taxes		310 -
	Income Tax		320 =

Transfer to Page 17

If A &amp; 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.

**Capital Tax** (Refer to Guide and Int.B. 3011)

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If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

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

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

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

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

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

**Paid-up Capital**

Paid-up capital stock (Int.B. 3012 and 3015)	350 +	4,631,198
Retained earnings (if deficit, deduct) (Int.B. 3012)	351 ±	(881,104)
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	352 +	
Loans and advances (Attach schedule)(Int.B. 3013)	353 +	
Bank loans (Int.B. 3013)	354 +	1,173,635
Bankers acceptances (Int.B. 3013)	355 +	
Bonds and debentures payable (Int.B. 3013)	356 +	
Mortgages payable (Int.B. 3013)	357 +	
Lien notes payable (Int.B. 3013)	358 +	4,011,499
Deferred credits (including income tax reserves, and deferred revenue where it would not be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	359 +	
Contingent, investment, inventory and similar reserves (Int.B. 3012)	360 +	
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012)	361 +	
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	362 +	
<b>Subtotal</b>	<b>370 =</b>	<b>8,935,228</b>
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	371 -	(89,938)
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	372 -	
<b>Total Paid-up Capital</b>	<b>380 =</b>	<b>9,025,166</b>
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381 -	
<i>Electrical Generating Corporations Only</i> - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation		
	382	
<b>Net Paid-up Capital</b>	<b>390 =</b>	<b>9,025,166</b>

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

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

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)

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

**Capital Tax** *continued from Page 9*

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**Total Assets** (Int.B. 3015)

Total Assets per balance sheet	420+	11,845,448
Mortgages or other liabilities deducted from assets	421+	
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )	422+	
Subtract: Investment in partnership(s)/joint venture(s)	423-	
<b>Total Assets as adjusted</b>	430=	11,845,448
Amounts in 360 and 361 (if deducted from assets)	440+	
Subtract: Amounts in 371, 372 and 381	441-	(89,938)
Subtract: Appraisal surplus if booked	442-	
Add or Subtract: Other adjustments (specify on an attached schedule)	443±	
<b>Total Assets</b>	450=	11,935,386

<b>Investment Allowance</b> (410 ÷ 450) X 390	Not to exceed 410	460=	
<b>Taxable Capital</b> 390 - 460		470=	9,025,166

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)			
Gross Revenue of the corporation		4,020,675	
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue ( <i>Attach schedule</i> )			
Aggregate of Gross Revenue		4,020,675	480= 4,020,675
<b>Total Assets</b> (as adjusted)		From 430	11,845,448

**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				Days in taxation year			
-							
=	471	x From 30	100.0000	x 0.3% x 555	92	=	523 +
		Ontario Allocation		**365/366			Transfer to 543 on page 12 and complete the return from that point

\*\* If floating taxation year, refer to Guide.

*continued on Page 11*



**Capital Tax Calculation** *continued from page 10*

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**SECTION 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** (✓ 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** (✓ 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 <b>470</b> on page 10	From <b>470</b> +	9,025,166
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**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**

Taxable Capital of associated corporations ( <i>Attach schedule</i> )	<b>531</b> +	149,142
Total Aggregate Taxable Capital <b>470</b> + <b>531</b>	<b>540</b> =	9,174,308

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 <b>470</b>	9,025,166	+ From <b>540</b>	9,174,308	X 5,000,000	<b>541</b> =	4,918,718
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*Transfer to Section 542 in D on page 12*

**Ss.69(2.1) Election Filed**

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



## SECTION D

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

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

+ From	470		9,025,166							Total Capital Tax for the taxation year
-	542		4,918,718							
=	471		4,106,448	x	From 30	<u>100.0000%</u>	% x 0.3% x	Days in the taxation year	555	
					Ontario Allocation			** (365/366)	92	= 523 + 3,105
										<i>Transfer to 543 and complete the return from that point</i>

## SECTION E

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

+ From 470	X From 30	100.0000	x 0.3%	= 561 +
- Capital tax deduction relating to your corporation's capital tax deduction, on ss.69(2.1) election form				From 995
				562 =

$$\text{Capital Tax } \underline{\hspace{1cm}} \underline{562} \underline{\hspace{1cm}} \times \frac{\text{Days in taxation year } \underline{555} \underline{\hspace{1cm}} \underline{92}}{\underline{\hspace{1cm}} \underline{\hspace{1cm}} \underline{366}} = \underline{563} + \underline{\hspace{1cm}}$$

*\*\* (365/366)      Transfer to 543 and complete the return from that point*

**\*\* If floating taxation year, refer to Guide**

<b>Capital Tax before application of specified credits</b>	<b>543</b>	<b>3,105</b>
Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide)	<b>546</b>	
<b>Capital Tax 543 - 546 (amount cannot be negative)</b>	<b>550</b>	<b>3,105</b>

*Transfer to page 17*

**Capital Tax** *continued from page 12***CT23 Page 13 of 24****Calculation of Capital Tax for Financial Institutions****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.)*

565                      x 0.6% x From 30                      % x 555 <sup>Days in taxation year</sup> + \*\*365/366 = 569 +                       
 Lesser of adjusted TPUC  
 and Basic Capital Amount  
 in accordance with  
 Division B.1  
 Ontario Allocation

570                      x 571                      x From 30                      % x 555 <sup>Days in taxation year</sup> + \*\*365/366 = 574 +                       
 Adjusted TPUC Capital Tax Rate  
 in accordance with (Refer to Guide)  
 Division B.1 in excess  
 of Basic Capital Amount  
 Ontario Allocation

**Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574** 575                     

\*\* If floating taxation year, refer to Guide.

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

Allowable Credit for Eligible Investments 585                     

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? ☒ Yes ☐ No

**Capital Tax - Financial Institutions 575 - 585** 586 =                       
 Transfer to 543 on Page 12

**Premium Tax (s.74.2 & 74.3) (refer to Guide)**

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

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

**Deduct: Specified Tax Credits applied to reduce premium tax (Refer to guide)** 589                       
**Premium Tax 588 - 589** 590                     

Transfer to Page 17

**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 ±***Transfer to Page 15***Add:**

Federal capital cost allowance	601 +	24,524
Federal cumulative eligible capital deduction	602 +	
Ontario taxable capital gain	603 +	
Federal non-allowable reserves. Balance beginning of year	604 +	
Federal allowable reserves. Balance end of year	605 +	
Ontario non-allowable reserves. Balance end of year	606 +	
Ontario allowable reserves. Balance beginning of year	607 +	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608 +	
Federal resource allowance	609 +	
Federal depletion allowance	610 +	
Federal foreign exploration and development expenses	611 +	
Management fees, rents, royalties and similar payments to non-arms' length non-residents		

**Number of days in Taxation Year**

Days after Sept. 30, 2001  
and before Jan. 1, 2004      Total days  
612 \_\_\_\_\_ X 5/12.5 X 33      92 + 73      92 = 633 +

Days after Dec. 31, 2003      Total days  
612 \_\_\_\_\_ X 5/14.0 X 34      + 73      92 = 634 +

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

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

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

Federal allowable business investment loss

al of other items not allowed by Ontario but allowed federally (*Attach schedule*)**Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614**

▶ 613 +

615 +

616 +

620 +

614 +

**= 24,524 640 24,524***Transfer to Page 15***Deduct:**

Ontario capital cost allowance (excludes amounts deducted under 675)	650 +	24,524
Ontario cumulative eligible capital deduction	651 +	
Federal taxable capital gain	652 +	
Ontario non-allowable reserves. Balance beginning of year	653 +	
Ontario allowable reserves. Balance end of year	654 +	
Federal non-allowable reserves. Balance end of year	655 +	
Federal allowable reserves. Balance beginning of year	656 +	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE)		
( <i>Retain calculations. Do not submit.</i> )	657 +	
Ontario depletion allowance	658 +	
Ontario resource allowance	659 +	
Ontario current cost adjustment ( <i>Attach schedule</i> )	661 +	
Incentive for new electricity supply (section 13.6 deduction from income)		
( <i>Applies only to electrical generating corporations.</i> )	674 +	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	675 +	
<b>Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675</b>	<b>681</b>	<b>24,524</b>

*Transfer to 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 ±	
Sub Total of Additions	From 640 =	24,524

Sub Total of deductions on page 14	From 681 =	24,524
------------------------------------	------------	--------

**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

**ONTTI Gross-up deduction calculation:**

From	Gross-up of CCA	
662	x 100/ 30	100.0000 - From 662
	Ontario allocation	663 =

**Workplace Child Care Tax Incentive**

Qualifying expenditures: 665	x 30% x 100/ 30	100.0000	666 =
	Ontario Allocation		

**Workplace Accessibility Tax Incentive**

Qualifying expenditures: 667	x 100% x 100/ 30	100.0000	668 =
	Ontario Allocation		

**Number of****Employees accommodated 669****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	x 30% x 100/ 30	100.0000	671 =
	Ontario Allocation		

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

Qualifying expenditures 672	x 15% x 100/ 30	100.0000	673 =
	Ontario Allocation		

**Ontario allowable business investment loss**

678 +

**Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23  
Schedule 161**

679 +

**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 +

**Total of other deductions allowed by Ontario (Attach schedule)**

664 +

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664	=	24,524	680	24,524
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**Net income (loss) for Ontario purposes 600 + 640 - 680**

690 =

Transfer to Page 4

**Continuity of Losses Carried Forward****CT23 Page 16 of 24**

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
<b>Balance at Beginning of Year</b>	700 (2)	710 (2)	720 (2)	730	740	750
<b>Add:</b>	701	711	721	731	741	751
Current year's losses (7)						
Losses from predecessor corporations (3)	702	712	722	732		752
	703	713	723	733	743	753
<b>Subtotal</b>						
<b>Subtract:</b>	704 (2)	715 (2)(4)	724 (2)	734 (2)(4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	705		725	735	745	
Expired during the year	706 (2) To Pg 17	716 (2) To Pg 17	726 (2) To Pg 17	736 (2) To Pg 17	746	
Carried back to prior years to reduce income (5)	707	717	727	737	747	757
<b>Subtotal</b>						
<b>Balance at End of Year</b>	709 (8)	719	729	739	749	759

**Notes:**

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.
- (3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amounts from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

**Analysis of Balance by Year of Origin**

Year of Origin (oldest year first)	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				850	870
801				851	871
802				852	872
803	820	830	840	853	873
804	821	831	841	854	874
805	822	832	842	855	875
806	823	833	843	856	876
807 2000/09/30	824	834	844	857	877
808 2001/09/30	825	835	845	858	878
809 2001/12/31	826	836	846	859	879
<b>Total</b>	<b>829</b>	<b>839</b>	<b>849</b>	<b>869</b>	<b>889</b>

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

**Applies** to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Minister 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
<b>Total amount of loss</b>	910	920	930	940
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
<b>Predecessor Corporation's Account No. (MOF)</b> <b>Taxation Year Ending</b>	911	921	931	941
i) 3rd preceding 901				
ii) 2nd preceding 902 2000/09/30	912	922	932	942
iii) 1st preceding 903 2001/09/30	913	923	933	943
<b>Total loss to be carried back</b>	From 706	From 716	From 726	From 736
<b>Balance of loss available for carryforward</b>	919	929	939	949

## Summary

Income Tax	From 230 or 320		
Corporate Minimum Tax	From 280		
Capital Tax	From 550		3,105
Premium Tax	From 590		
Total Tax Payable	950		3,105
Subtract:			
Payments	960		
Capital Gains Refund (s.48)	965		
Qualifying Environmental Trust Tax Credit (Refer to Guide)	985		
Specified Tax Credits (Refer to Guide)	955		
Balance	970	=	3,105
If payment due	Enclosed *	990	
If overpayment: Refund (Refer to Guide)	975	=	
Apply to	980		
(Includes credit interest)			

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

Title  
Chairman

Full Residence Address  
351 Frances Street

City  
Strathroy

Province ON	Country CA	Postal Code N7G 2C7
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Signature  
Date  
2005/04/22

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

**Corporate Minimum Tax - Schedule A:  
Calculation of CMT Base**

CT23 Schedule A

Page 18 of 24



**Banks** - 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± (94,296)

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

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

**Subtotal** = ▶ 2109-

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

Provision for current taxes / cost of current income taxes	2110+
Provision for deferred income taxes (debits) / cost of future income taxes	2111+
Equity losses from corporations	2112+
Share of partnership(s)/joint venture(s) losses	2113+
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+

**Subtotal** = ▶ 2115+

**Add/Subtract:**

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

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

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

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

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

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

**Subtotal (Additions)** = ▶ 2128+

**Subtotal (Subtractions)** = ▶ 2129-

\*\* Other adjustments 2130±

**Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130** 2131= (94,296)

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

**Adjusted net income (loss) (if loss, transfer to 2202 in Schedule B)** 2133= (94,296)

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

CMT losses: other eligible losses \* 2211+

= ▶ 2134-

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

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

**CMT Base** 2135=  
Transfer to CMT Base on page 8





## Corporate Minimum Tax (CMT)



## Schedule D: Continuity of CMT Credit Carryovers

## CMT credit continuity by year

Year of origin	Beginning balance	Transfers on amalgamation or wind-up	Adjustments	Current year credit	Applied	Expired	Ending balance
2001/09/30							
2001/12/31							
Totals							

Balance at Beginning of year (1) 2301 +

Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL) From 280 +  
 CMT Credit Carryovers from predecessor corporations (2) 2302 +  
 Amalgamation (✓) 2303 ☐ Yes Wind-up (✓) 2304 ☐ Yes

Subtotal = 2305 +

Adjustments (Attach schedule) 2306 ±

CMT credit carryover available 2301 + 2305 ± 2306 2307 =

Transfer to Page 8

Subtract: CMT credit utilized during the year to reduce income tax (Page 8) From 310 +  
 CMT credit expired during the year 2308 ±

Subtotal = 2309 -

Balance at End of Year (3) 2307 - 2309 2310 =

## 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))
- (3) Amount in 2310 must equal the sum of 2370 + 2390.

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

Year of Origin (oldest year first)	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporations
2340	2360	2380
2341	2361	2281
2342	2362	2382
2343	2363	2383
2344	2364	2384
2345	2365	2385
2346	2366	2386
2347	2367	2387
2348 2001/09/30	2368	2388
2349 2001/12/31	2369	2389
Totals	2370	2390

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



**To submit additional director or Officer Information, please photocopy this page and attach the completed schedules with you return.**

Identification																																																							
Corporation's Legal Name (including punctuation)		Ontario Corporation No. (MCBS)	Date of Incorporation or Amalgamation																																																				
Middlesex Power Distribution Corporation		1800268	2000/04/11																																																				
Director/Officer Information																																																							
Full Name and Address for Service:																																																							
Last Name Weetering		First Name Gerrit	Middle Name(s)																																																				
Street Number and Name 310 Oak Ave.		Suite																																																					
City/Town/Village Strathroy		Province/State ON	Country CA																																																				
		Postal/Zip Code N7G 3J1																																																					
<b>Director</b>		<b>Officer</b>																																																					
Are you a resident Canadian? <i>(Applies to directors of business corporations only)</i>  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Indicate the appointment period for each of the following: <table border="1"> <thead> <tr> <th></th> <th>Date Appointed</th> <th>Date Ceased</th> <th></th> </tr> <tr> <th></th> <th>year      month      day</th> <th>year      month      day</th> <th></th> </tr> </thead> <tbody> <tr> <td><b>President</b></td> <td></td> <td></td> <td><input type="checkbox"/> Chair</td> </tr> <tr> <td><b>Secretary</b></td> <td></td> <td></td> <td><input type="checkbox"/> Chair Person</td> </tr> <tr> <td><b>Treasurer</b></td> <td></td> <td></td> <td><input type="checkbox"/> Chairman</td> </tr> <tr> <td><b>General Manager</b></td> <td></td> <td></td> <td><input type="checkbox"/> Chairwoman</td> </tr> <tr> <td><b>Other (specify)</b></td> <td></td> <td></td> <td><input type="checkbox"/> Vice-Chair</td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/> Vice-President</td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/> Assistant Secretary</td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/> Assistant Treasurer</td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/> Chief Manager</td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/> Executive Director</td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/> Managing Director</td> </tr> </tbody> </table>			Date Appointed	Date Ceased			year      month      day	year      month      day		<b>President</b>			<input type="checkbox"/> Chair	<b>Secretary</b>			<input type="checkbox"/> Chair Person	<b>Treasurer</b>			<input type="checkbox"/> Chairman	<b>General Manager</b>			<input type="checkbox"/> Chairwoman	<b>Other (specify)</b>			<input type="checkbox"/> Vice-Chair				<input type="checkbox"/> Vice-President				<input type="checkbox"/> Assistant Secretary				<input type="checkbox"/> Assistant Treasurer				<input type="checkbox"/> Chief Manager				<input type="checkbox"/> Executive Director				<input type="checkbox"/> Managing Director
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Director/Officer Information																																																									
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Last Name Taylor			First Name Larry			Middle Name(s)																																																			
Street Number and Name 141 Timber Drive						Suite																																																			
City/Town/Village London			Province/State ON			Country CA		Postal/Zip Code N6K 4A6																																																	
Director		Officer																																																							
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	year	month	day	year	month	day																																																			
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## MCBS

## Schedule A

Page 22 of 24



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Middlesex Power Distribution Corporation		1800268	2000/04/11																					
Director/Officer Information																								
Full Name and Address for Service:																								
Last Name King		First Name John	Middle Name(s)																					
Street Number and Name 24244 Saxton Road		Suite																						
City/Town/Village Strathroy		Province/State ON	Country CA																					
		Postal/Zip Code N7G 3H3																						
<b>Director</b>		<b>Officer</b>																						
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Director/Officer Information																																																									
Full Name and Address for Service:																																																									
Last Name Callaghan			First Name Walter		Middle Name(s)																																																				
Street Number and Name 225 Riverview Drive					Suite																																																				
City/Town/Village Strathroy			Province/State ON		Country CA		Postal/Zip Code N7G 2G4																																																		
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**Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.**

ProFile - Version 2004.1.4 - Approval code - 051D



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Director/Officer Information																								
Full Name and Address for Service:																								
Last Name Enright		First Name Thomas	Middle Name(s)																					
Street Number and Name 6 Kittridge Ave.		Suite																						
City/Town/Village Strathroy	Province/State ON	Country CA	Postal/Zip Code N7G 1A6																					
Director	Officer																							
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Director/Officer Information																																																									
Full Name and Address for Service:																																																									
Last Name Ledingham			First Name William			Middle Name(s)																																																			
Street Number and Name 535 Metcalfe Street East						Suite																																																			
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Last Name Veale		First Name Mel	Middle Name(s)																																																
Street Number and Name 52 Frank Street		Suite																																																	
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Date Elected 2001/10/03		Other Titles <i>(please specify)</i> <input type="checkbox"/> Chair <input type="checkbox"/> Chief Executive Officer <input type="checkbox"/> Chair Person <input type="checkbox"/> Chief Financial Officer <input type="checkbox"/> Chairman <input type="checkbox"/> Chief Info. Officer <input type="checkbox"/> Chairwoman <input type="checkbox"/> Chief Operating Officer <input type="checkbox"/> Vice-Chair <input type="checkbox"/> Chief Administrative Officer <input type="checkbox"/> Vice-President <input type="checkbox"/> Comptroller <input type="checkbox"/> Assistant Secretary <input type="checkbox"/> Authorized Signing <input type="checkbox"/> Assistant Treasurer <input type="checkbox"/> Officer <input type="checkbox"/> Chief Manager <input type="checkbox"/> Officer <input type="checkbox"/> Executive Director <input type="checkbox"/> Managing Director <input type="checkbox"/> Other (untitled)																																																	
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Director/Officer Information																																																																													
Full Name and Address for Service:																																																																													
Last Name			First Name			Middle Name(s)																																																																							
Street Number and Name						Suite																																																																							
City/Town/Village			Province/State			Country		Postal/Zip Code																																																																					
Director		Officer																																																																											
Are you a resident Canadian? <i>(Applies to directors of business corporations only)</i>  <input type="checkbox"/> Yes <input type="checkbox"/> No		Indicate the appointment period for each of the following: <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Date Appointed</th> <th colspan="3">Date Ceased</th> </tr> <tr> <th>year</th> <th>month</th> <th>day</th> <th>year</th> <th>month</th> <th>day</th> </tr> </thead> <tbody> <tr> <td><b>President</b></td> <td colspan="3"></td> <td colspan="3"></td> </tr> <tr> <td><b>Secretary</b></td> <td colspan="3"></td> <td colspan="3"></td> </tr> <tr> <td><b>Treasurer</b></td> <td colspan="3"></td> <td colspan="3"></td> </tr> <tr> <td><b>General Manager</b></td> <td colspan="3"></td> <td colspan="3"></td> </tr> <tr> <td><b>Other (specify)</b></td> <td colspan="3"></td> <td colspan="3"></td> </tr> </tbody> </table>							Date Appointed			Date Ceased			year	month	day	year	month	day	<b>President</b>							<b>Secretary</b>							<b>Treasurer</b>							<b>General Manager</b>							<b>Other (specify)</b>							Other Titles <i>(please specify)</i>  <table> <tbody> <tr> <td><input type="checkbox"/> Chair</td> <td><input type="checkbox"/> Chief Executive Officer</td> </tr> <tr> <td><input type="checkbox"/> Chair Person</td> <td><input type="checkbox"/> Chief Financial Officer</td> </tr> <tr> <td><input type="checkbox"/> Chairman</td> <td><input type="checkbox"/> Chief Info. Officer</td> </tr> <tr> <td><input type="checkbox"/> Chairwoman</td> <td><input type="checkbox"/> Chief Operating Officer</td> </tr> <tr> <td><input type="checkbox"/> Vice-Chair</td> <td><input type="checkbox"/> Chief Administrative Officer</td> </tr> <tr> <td><input type="checkbox"/> Vice-President</td> <td><input type="checkbox"/> Comptroller</td> </tr> <tr> <td><input type="checkbox"/> Assistant Secretary</td> <td><input type="checkbox"/> Authorized Signing Officer</td> </tr> <tr> <td><input type="checkbox"/> Assistant Treasurer</td> <td><input type="checkbox"/> Chief Manager</td> </tr> <tr> <td><input type="checkbox"/> Executive Director</td> <td><input type="checkbox"/> Managing Director</td> </tr> <tr> <td><input type="checkbox"/> Managing Director</td> <td><input type="checkbox"/> Other (untitled)</td> </tr> </tbody> </table>		<input type="checkbox"/> Chair	<input type="checkbox"/> Chief Executive Officer	<input type="checkbox"/> Chair Person	<input type="checkbox"/> Chief Financial Officer	<input type="checkbox"/> Chairman	<input type="checkbox"/> Chief Info. Officer	<input type="checkbox"/> Chairwoman	<input type="checkbox"/> Chief Operating Officer	<input type="checkbox"/> Vice-Chair	<input type="checkbox"/> Chief Administrative Officer	<input type="checkbox"/> Vice-President	<input type="checkbox"/> Comptroller	<input type="checkbox"/> Assistant Secretary	<input type="checkbox"/> Authorized Signing Officer	<input type="checkbox"/> Assistant Treasurer	<input type="checkbox"/> Chief Manager	<input type="checkbox"/> Executive Director	<input type="checkbox"/> Managing Director	<input type="checkbox"/> Managing Director	<input type="checkbox"/> Other (untitled)
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**Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.**

ProFile - Version 2004.1.4 - Approval code - 051D



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

# Ontario Capital Cos. Allowance Schedule 8

## ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name Middlesex Power Distribution Corporation				Ontario Corporations Tax Account No. (MOF) 1800268			Taxation Year End 2001/12/31					
Is the corporation electing under regulation 1101(5q)?    101   1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>												
1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the year  See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule  See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	4,846,614	297,903			5,144,517	148,952	4,995,565	4			24,524	5,119,993
2	3,062,304				3,062,304		3,062,304	6				3,062,304
8	83,995	1,072			85,067	536	84,531	20				85,067
10	171,350	5,278			176,628	2,639	173,989	30				176,628
Totals	8,164,263	304,253				152,127	8,316,389				24,524	8,443,992
Enter in box 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.

Corporation's Legal Name Middlesex Power Distribution Corporation	Ontario Corporations Tax Account No. (MOF) 1800268	Taxation Year End 2001/12/31
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- 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 beginning of taxation year (if negative, enter zero)				A
Add:				
Cost of eligible capital property acquired during the taxation year	+	517,119	B	
Amount transferred on amalgamation or wind-up of subsidiary	+		C	
Other adjustments	+		D	
Total of B + C + D	=	517,119	x 3/4=	387,839 E
Subtotal A + E			=	387,839 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	+		G	
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the <i>Income Tax Act</i> (Canada)	+		H	
Other adjustments	+		I	
Total of G + H + I	=		x 3/4=	J
Ontario cumulative eligible capital balance F - J			=	387,839 K

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

Current year deduction	387,839 K x 7%*	=	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)	=	387,839 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

Complete this part only if the amount at line K is negative

Amount from line K above show as a positive amount				N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988			1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)			2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988		3		
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988		4		
Line 3 deduct line 4			5	
Total lines 1 + 2 + 5			6	
Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000			7	
Deduct line 7 from line 6				O
N - O (cannot be negative)				P
Amount on line 5 x 1/2				Q
P - Q				R
Amount on line R x 66.6667				S
Lesser of line N or line O				T
Amount to be included in income S + T				

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

# Details of Associated Ontario Corporations

Names of associated corporations (Canadian and foreign)	Permanent establishment in Canada?	Ontario Account Number	Taxation Year End
Middlesex Energy Services Corporation	Yes	1800293	2001/12/31
Middlesex Power Corporation	Yes	1800267	2001/12/31

Names of associated corporations	Surtax on CCPCs	Corporate Minimum Tax		Capital Tax
	Taxable Income	Total Assets	Total Revenue	Taxable Capital
Middlesex Energy Services Corporation		125,278	18,937	149,142
Middlesex Power Corporation		4,753,049		
Totals	0	4,878,327	18,937	149,142



**Ontario****Ministry of Finance**Corporations Tax Branch  
PO Box 620  
33 King Street West  
Oshawa, ON L1H 8E9**Taxable Capital of Associated Corporations**(Applicable to an associated group that  
has a permanent establishment in Canada)**Schedule CT21**

Corporation's Legal Name Middlesex Power Distribution Corporation	Ontario Corporations Tax Account No. (MOF) 1800268	Taxation Year End 2001/12/31
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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.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
Middlesex Energy Services Corporation	1800293	2001/12/31	149,142
Middlesex Power Corporation	1800267	2001/12/31	
Aggregate of taxable capital			149,142

Transfer to **540** of the CT23



Corporation's Legal Name Middlesex Power Distribution Corporation	Ontario Corporations Tax Account No. (MOF) 1800268	Taxation Year End 2001/12/31
--	---	---------------------------------

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
Middlesex Energy Services Corporation	1800293	2001/12/31	125,278	18,937
Middlesex Power Corporation	1800267	2001/12/31	4,753,049	
<b>Totals</b>			<b>4,878,327</b>	<b>18,937</b>

*Transfer to 249  
of the CT23**Transfer to 250  
of the CT23*

OConsent

# Ontario Consent Form

This form authorizes the Ontario Ministry of Finance to release confidential client information to a designated third party representative in matters pertaining to applicable legislation. **Note: This authorization is valid until the client or authorized signing person cancels it in writing. Please complete a separate form for each representative.**

The purpose of this form is:

☒ **To authorize** a third party representative or ☐ **To cancel** a third party representative

## 1. Client identification

Name

Middlesex Power Distribution Corporation

Ontario Corporations Tax Account Number

1800268

## 2. Authorized third party identification

Authorized individuals' name

Address

Phone number

( ) -

Authorized firm's name

Scrimgeour & Company, CGA

Address

1502-148 Fullarton Street London, Ontario N6A 5P3

Phone number

(519) 672-6811

## 3. Details of authorization

Indicate the period for which authorization or cancellation applies:

All years



OR

Specific years

OR

All years prior to

## 4. Authorized signature (client or authorized signing officer)

Thomas Enright

Name

(519) 245-2010

Telephone number

2005/04/22

Date signed

Chairman

Position, office or rank

Signature of client or authorized signing officer



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 corresponding items in 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, see items 1 to 5 in the guide.

**055** Do not use this area**Identification**

<b>Business number (BN)</b> (item 11) 001 86570 1635 RC 0001					
<b>Corporation's name</b> (item 12) 002 Middlesex Power Distribution Corporation					
Has the corporation changed its name since the last time we were notified? 003 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, do you have a copy of the articles of amendment? 004 <input type="checkbox"/> Yes <input type="checkbox"/> No				
<b>Address of head office</b> (item 13) Has the address changed since the last time we were notified? 010 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 011 351 Frances Street 012 City Province, territory, or state 015 Strathroy 016 ON Country (other than Canada) Postal code/Zip code 017 018 N7G 2C7	<b>To which taxation year does this return apply?</b> (item 17) From 060 2001/10/01 to 061 2001/12/31 Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, provide date control was acquired 065				
<b>Mailing address</b> (if different from head office address) (item 14) Has the address changed since the last time we were notified? 020 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 021 C/o Tomas Enright 022 351 Frances Street 023 City Province, territory, or state 025 Strathroy 026 ON Country (other than Canada) Postal code/Zip code 027 028 N7G 2C7	<b>Is the corporation a professional corporation that is a member of a partnership?</b> (item 18) 067 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>Is this the first year of filing after:</b> Incorporation? (item 19) 070 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Amalgamation? (item 20) 071 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, complete Schedule 24 <b>Has there been a wind-up of a subsidiary under section 88 during the current taxation year?</b> (item 21) If yes, complete Schedule 24 072 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>Location of books and records</b> (item 15) 031 351 Frances Street 032 City Province, territory, or state 035 Strathroy 036 ON Country (other than Canada) Postal code/Zip code 037 038 N7G 2C7	<b>Is this the final taxation year before amalgamation?</b> (item 22) 076 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>Is this the final return up to dissolution?</b> (item 23) 078 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>Is the corporation a resident of Canada?</b> (item 24) 080 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, give the country of residence. 081				
<b>040 Type of corporation at end of taxation year</b> (item 16) 1 <input checked="" type="checkbox"/> Canadian controlled private corporation (CCPC) 2 <input type="checkbox"/> Other private corporation 3 <input type="checkbox"/> Public corporation If the type of corporation changed during the taxation year, provide the effective date of the change 043	<b>Is the non-resident corporation claiming an exemption under an income tax treaty?</b> (item 24) 082 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, complete Schedule 91 <b>If the corporation is exempt from tax under section 149, tick one of the following boxes:</b> (item 25) 085 1 <input type="checkbox"/> Exempt under 149(1)(e) or (l) 2 <input type="checkbox"/> Exempt under 149(1)(j) 3 <input type="checkbox"/> Exempt under 149(1)(t) 4 <input type="checkbox"/> Exempt under other paragraphs of section 149				
<b>Do not use this area</b>					
091	092	093	094	095	096
097					

Guide Item	Attachments	Yes	Schedule
27 Is the corporation related to any other corporations?	150	<input checked="" type="checkbox"/>	9
28 Does the corporation have any non-resident shareholders?	151	<input checked="" type="checkbox"/>	19
29 Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	<input checked="" type="checkbox"/>	23
30 Is the corporation an associated CCPC that is claiming the expenditure limit?	161	<input type="checkbox"/>	49
32 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	<input type="checkbox"/>	11
33 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	<input type="checkbox"/>	44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	<input type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	<input type="checkbox"/>	15
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166	<input type="checkbox"/>	T5004
38 Is the corporation a member of a partnership for which an identification number has been assigned?	167	<input type="checkbox"/>	T5013
40 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	<input type="checkbox"/>	22
41 Did the corporation have any foreign affiliates during the year?	169	<input type="checkbox"/>	25
42 Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170	<input type="checkbox"/>	29
43 Has the corporation had any non-arm's length transactions with a non-resident?	171	<input type="checkbox"/>	T106
47 Has the corporation made payments to, or received amounts from a retirement compensation arrangement?	172	<input type="checkbox"/>	-----
46 Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	<input checked="" type="checkbox"/>	50
55 Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201	<input checked="" type="checkbox"/>	1
78-81 Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202	<input type="checkbox"/>	2
82,104 Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203	<input type="checkbox"/>	3
69-76 Is the corporation claiming any type of losses?	204	<input type="checkbox"/>	4
132 Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	<input type="checkbox"/>	5
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206	<input type="checkbox"/>	6
103 (i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (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	<input type="checkbox"/>	7
57 Does the corporation have any property that is eligible for capital cost allowance?	208	<input checked="" type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property?	210	<input checked="" type="checkbox"/>	10
59 Does the corporation have any resource-related deductions?	212	<input type="checkbox"/>	12
60 Is the corporation claiming reserves of any kind?	213	<input type="checkbox"/>	13
61 Is the corporation claiming a patronage dividend deduction?	216	<input type="checkbox"/>	16
62 Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217	<input type="checkbox"/>	17
150 Is the corporation an investment corporation or a mutual fund corporation?	218	<input type="checkbox"/>	18
131 Was the corporation carrying on business in Canada as a non-resident corporation?	220	<input type="checkbox"/>	20
118 Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221	<input type="checkbox"/>	21
155 Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226	<input type="checkbox"/>	26 *
111 Does the corporation have any Canadian manufacturing and processing profits?	227	<input type="checkbox"/>	27
121 Is the corporation claiming an investment tax credit?	231	<input type="checkbox"/>	31
63 Is the corporation claiming any scientific research and experimental development expenditures?	232	<input type="checkbox"/>	T661/T665
124 Is the corporation subject to Part 1.3 tax?	233	<input type="checkbox"/>	33/34/35
124 Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236	<input type="checkbox"/>	36
124 Is the corporation claiming a surtax credit?	237	<input type="checkbox"/>	37
128 Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	<input type="checkbox"/>	38
128 Is the corporation claiming a Part I tax credit?	242	<input type="checkbox"/>	42
129 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	<input type="checkbox"/>	43
129 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	<input type="checkbox"/>	45
125 Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249	<input type="checkbox"/>	46
128 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	<input type="checkbox"/>	39
128 For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251	<input type="checkbox"/>	40

**Attachments - Continued from page 2****Guide item****Yes Schedule**

128 For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252	<input type="checkbox"/>	41
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253	<input type="checkbox"/>	T1131
130 Is the corporation subject to Part XIII.1 tax?		<input type="checkbox"/>	92 *
153 Is the corporation claiming a film or video production services tax credit refund?		<input type="checkbox"/>	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		<input type="checkbox"/>	T1134-A
44 Did the corporation have any controlled foreign affiliates?		<input type="checkbox"/>	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000?		<input type="checkbox"/>	T1135
44 Did the corporation transfer or loan property to a non-resident trust?		<input type="checkbox"/>	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		<input type="checkbox"/>	T1142
- Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		<input type="checkbox"/>	T1145
- Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		<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?		<input type="checkbox"/>	T1174

**Additional information**

Is the corporation inactive? (item 48)	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) (item 49)	281	1 Yes <input checked="" type="checkbox"/>	2 No <input type="checkbox"/>
What is the corporation's major business activity? (item 50) (Only complete if yes was entered at line 281.)	282 Distribution of electricity		
If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51)	283	1 Wholesale <input type="checkbox"/>	2 Retail <input checked="" type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)	284 Electricity	285 100.000 %	
	286	287	%
	288	289	%
Did the corporation immigrate to Canada during the taxation year? (item 53)	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year? (item 54)	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFL (item 77)	300	0	A
<b>Deduct:</b> Charitable donations from Schedule 2 (item 78)	311		
Gifts to Canada or a province, or a territory from Schedule 2 (item 79)	312		
Cultural gifts from Schedule 2 (item 80)	313		
Ecological gifts from Schedule 2 (item 81)	314		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	320		
Part VI.1 tax deduction from Schedule 43 (item 83)*	325		
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	331		
Net capital losses of preceding taxation years from Schedule 4 (item 85)	332		
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	333		
Farm losses of prior taxation years from Schedule 4 (item 87)	334		
Limited partnership losses of prior years from Schedule 4 (item 88)	335		
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	340		
Prospector's and grubstaker's shares (item 90)	350		
Subtotal			B
Subtotal (amount A minus amount B) (if negative, enter "0")			C
<b>Add:</b> Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)	355		D
<b>Taxable income</b> (amount C plus amount D) (item 92)	360	0	
Income exempt under paragraph 149(1)(t) (item 93)	370		
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)			Z

\* If the taxation year ends after December 31, 2002, use "3" instead of "9/4" in the calculation of the Part VI.1 tax deduction indicated in item 83 of the T2 Corporation Income Tax Guide.

**Small business deduction****Canadian-controlled private corporations throughout the taxation year**Income from active business carried on in Canada from Schedule 7 (item 95) 400 ATaxable income from line 360 or amount Z on page 3, whichever applies, **minus** 10/3 of the amount that would be deductible at line 632\*, and 10/4 of line 636\*\* on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96) 405 B**Calculation of the business limit: (item 97)**

for all CCPCs, calculate the amount at line 4 below

\$200,000 x Number of days in the taxation year before 2003 92 = 200,000 1Number of days in the taxation year 92\$225,000 x Number of days in the taxation year in 2003 = 2 2Number of days in the taxation year 92\$250,000 x Number of days in the taxation year in 2004 = 3 3Number of days in the taxation year 92Add amounts at line 1, 2, and 3 200,000 4Business limit (see notes 1 and 2 below) 410 37,808 C**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: (item 98)**Amount C 37,808 X 415 \*\*\* D = 11,250 EReduced business limit (amount C minus amount E) (if negative, enter "0") 425 37,808 F**Small business deduction** - 16% of the least of amounts A, B, C, and F 430 0 G

(enter amount G of line 9 on page 7)

**Accelerated tax reduction (item 99)****Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**Reduced business limit (amount from line 425) x = ANet active business income (amount from line 400)\* BTaxable income from line 360 or amount Z on page 3, whichever applies, **minus** 1/4 of line 636\*\* on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax (item 96) C**Deduct:**Aggregate investment income (amount from line 440 of page 6) DAmount C minus amount D (if negative, enter "0") EAmount A, B, or E above, whichever is less FAmount Z from Part 9 of Schedule 27 x 100 / 7 = GAmount QQ from Part 13 of Schedule 27 HResource allowance (line 346 of Schedule 1) x 3 = IAmount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) JAmount on line 400, 405, 410 or 425, whichever is less KTotal of amounts G, H, I, J, and K LAmount F minus amount L (if negative, enter "0") M**Accelerated tax reduction** - 7% of amount M N

(Enter amount N on line 637 of page 7)

\* If 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.

**General tax reduction for Canadian-controlled private corporations (item 101)****Canadian-controlled private corporations throughout taxation year**

Taxable income from line 360 page 3					A
Amount Z from Part 9 of Schedule 27		x 100 / 7 =		B	
Amount QQ from Part 13 of Schedule 27				C	
Resource allowance (line 346 of Schedule 1)		x 3 =		D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)				E	
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less				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")				J	
Amount J	x	Number of days in the taxation year in 2001	92	x 1% =	K
		Number of days in the taxation year	92		
Amount J	x	Number of days in the taxation year in 2002		x 3% =	L
		Number of days in the taxation year	92		
Amount J	x	Number of days in the taxation year in 2003		x 5% =	M
		Number of days in the taxation year	92		
Amount J	x	Number of days in the taxation year after 2003		x 7% =	N
		Number of days in the taxation year	92		
<b>General tax reduction for Canadian-controlled private corporations - total of amounts K, L, M and N</b>					O
(enter amount O on line 638 of page 7)					

**General tax reduction (item 102)****Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation**

Taxable income from line 360 on page 3					A
Amount Z from Part 9 of Schedule 27		x 100 / 7 =		B	
Amount QQ from Part 13 of Schedule 27				C	
Resource allowance (line 346 of Schedule 1)		x 3 =		D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)				E	
Total of amounts B, C, D and E				F	
Amount A minus amount F (if negative, enter "0")				G	
Amount G	x	Number of days in the taxation year in 2001		x 1% =	H
		Number of days in the taxation year			
Amount G	x	Number of days in the taxation year in 2002		x 3% =	I
		Number of days in the taxation year			
Amount G	x	Number of days in the taxation year in 2003		x 5% =	J
		Number of days in the taxation year			
Amount G	x	Number of days in the taxation year after 2003		x 7% =	K
		Number of days in the taxation year			
<b>General tax reduction - total of amounts H, I, J and K</b>					L
(enter amount L on line 639 of page 7)					



**Refundable portion of Part I tax (item 103)****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 \_\_\_\_\_

**Deduct:**

Least of amounts on lines 400, 405, 410, and 425  
 on page 4 \_\_\_\_\_

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

Foreign business income tax credit from  
 line 636 on page 7 x 10/4 = \_\_\_\_\_

\_\_\_\_\_ X 26 2/3 % = \_\_\_\_\_ **D**

Part I tax payable minus investment tax credit refund  
 (line 700 minus line 780 on page 8) \_\_\_\_\_

**Deduct** corporate surtax from line 600 on page 7 \_\_\_\_\_

Net amount \_\_\_\_\_ **E**

**Refundable portion of Part I tax - the least of amounts C, D, and E** 450 **0 F**

**Refundable dividend tax on hand (item 104)**

Refundable dividend tax on hand at the end of the preceding tax 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 on page 2 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 A plus amount B** 485 **0**

**Dividend refund (item 105)****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 on page 2 of  
 Schedule 3 \_\_\_\_\_ X 1/3 \_\_\_\_\_ **A**

Refundable dividend tax on hand at the end of the taxation year from line 485 above \_\_\_\_\_ **B**

**Dividend refund - Lesser of amounts A and B (enter this amount on line 784 on page 8)** \_\_\_\_\_ **0**

**Summary of tax and credits****Federal tax**

Part I tax payable from page 7 (item 123)	700
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704
Part II surtax tax payable from Schedule 46 (item 125)	708
Part IV tax payable from Schedule 3 (item 126)	712
Part IV.1 tax payable from Schedule 43 (item 127)	716
Part VI tax payable from Schedule 38 (item 128)	720
Part VI.1 tax payable from Schedule 43 (item 129)	724
Part XIII.1 tax payable from Schedule 92 (item 130)	727
Part XIV tax payable from Schedule 20 (item 131)	728

Total federal tax 0

**Add provincial and territorial tax**

Provincial or territorial jurisdiction (item 132) 750 ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 133) 760

Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147) 765

Total tax payable 770 0 A

**Deduct other credits**

Investment tax credit refund from Schedule 31 (items 148)	780
Dividend refund from Page 4 (items 149)	784
Federal capital gains refund from Schedule 18 (item 150)	788
Federal qualifying environmental trust tax credit refund (item 151)	792
Canadian film or video production tax credit refund from Form T1131 (item 152)	796
Film or video production services tax credit refund from Form T1177 (item 153)	797
Tax withheld at source (item 154)	800
Total payments on which tax has been withheld (item 154) 801	
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155)	804
Provincial and territorial capital gains refund from Schedule 18 (item 156)	808
Provincial and territorial refundable tax credits from Schedule 5 (item 157)	812
Royalties deductible under Syncrude Remission Order 815	
Tax remitted under Syncrude Remission Order (item 158)	816
Tax instalments paid (item 159)	840
Total credits	890

B

Refund Code 894 ☐ (item 160)

Overpayment (item 163)

Balance (line A minus line B) 0 I

**Direct Deposit Request** (item 164)

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.

We do not charge or refund a difference of less than \$2.

Balance unpaid (item 163)

Enclosed payment (item 162) 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 is due? (item 161)

896 1 Yes ☐ 2 No ☒ NA ☐**Certification** (item 165)

950 Enright Surname 951 Thomas First name 954 Chairman Position, office or rank

955 2005/04/22 Date 956 (519) 245-2010 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 Name 959 ( ) Telephone number

**Language of correspondence - Langue de correspondance** (item 166)990 Language of choice/Langue de choix 1 English / Anglais ☒ 2 Français / French ☐

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

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

Name	Country (if not Canada)	Business # (Canadian corporation only)	Code note 1	Common shares		Preferred shares		Book value of capital stock
				# owned	% owned	# owned	% owned	
Middlesex Power Corporation	200	88102 2925 RC 0001	400	500	550	600	650	700
Middlesex Energy Services Corporation		86965 3329 RC 0001	1	4,631,198	100.000			4,631,198
		RC	3					
			0					
Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated								

**AGREEMENT AMONG ASSOCIATED CCPCs  
TO ALLOCATE THE BUSINESS LIMIT****Schedule 23**

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.

An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

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

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

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

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

**Column 4:** Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 cannot exceed \$200,000.

**Column 5:** Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

**Allocation of the business limit**

Date filed (for departmental use only) 025

Enter the calendar year to which the agreement applies 050 2001

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 ☒ 2 No

1 Names of associated corporations	2 Business Number	3 Association code	4 Allocation of business limit *	5 Year end to which this agreement applies
100	200	300	400	500
Middlesex Power Distribution Corporation	86570 1635 RC 0001	1	150,000	
Middlesex Energy Services Corporation	86965 3329 RC 0001	1	50,000	
Middlesex Power Corporation	88102 2925 RC 0001	1		
	RC	0		
TOTALS			\$ 200,000	

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box.

\$ 37,808

Names of all the corporations in the group	Last taxation year ending in the preceding calendar year				Current year
	Taxable income	Grossed-up taxable income	Reduced business limit	Gross Part 1.3 tax for business limit reduction	Grossed-up reduced business limit
Middlesex Power Distribution Corporation					149,999
Middlesex Energy Services Corporation					50,000
Middlesex Power Corporation					
TOTALS	\$	\$	\$	\$	\$ 199,999

\* Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 364.

**Reduction to the business limit under subsection 125(5.1)**

The reduction to the business limit applies when any member of the associated group had gross Part 1.3 tax payable (before deduction of the surtax credits) for its last taxation year ending in the preceding calendar year. The amount to be entered at line 415 of the T2 return includes the gross Part 1.3 tax payable for each corporation that has an "associated code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Note: If the taxation year of any of the associated corporations was less than 51 weeks, the amount of gross Part 1.3 tax is the unprorated amount before the application of subsection 181.1(2).

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2001-12-31

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[ 8519 ] 1 397 408

[ 8740 ] 368 093

[ 9369 ] # 360 704

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[ 9270 ] 91 226

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[ 9284 ] 504 406

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[ 8299 ] 14 762 413

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[ 8320 ] 13 115 102

[ 8518 ] 13 115 102

[ 8710 ] 475 239

[ 8717 ] 289 414

**NAME: Middlesex Power Distribution Corporation - Federal Return Only****BN: 86570 1635 RC 0001****Taxation Year End: 2001-12-31**

[ 096 ] 1

[ 097 ] 2

[ 098 ] 1

[ 099 ] 2

[ 101 ] 1

[ 102 ] 2

[ 103 ] 2

[ 104 ] 2

[ 105 ] 2

[ 106 ] 1

[ 107 ] 1

[ 108 ] 2

[ 109 ] \_\_\_\_\_

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NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2001-12-31

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[ 002 ] Middlesex Power Distribution Corporation - Federal Return Only

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For agency use

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For agency use

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For agency use

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## NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2001-12-31

[ 031 ] @ 351 Fances Street

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[ 036 ] ON

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[ 067 ]	2	[ 170 ]	_____	[ 231 ]	_____
[ 070 ]	2	[ 171 ]	_____	[ 232 ]	_____
[ 071 ]	2	[ 172 ]	_____	[ 233 ]	_____
[ 072 ]	2	[ 173 ]	1	[ 236 ]	_____
[ 076 ]	2	[ 201 ]	1	[ 237 ]	_____
[ 078 ]	2	[ 202 ]	_____	[ 238 ]	_____
[ 080 ]	1	[ 203 ]	_____	[ 242 ]	_____
[ 081 ]	_____	[ 204 ]	_____	[ 243 ]	_____
[ 082 ]	2	[ 205 ]	_____	[ 244 ]	_____
[ 085 ]	4	[ 206 ]	_____	[ 249 ]	_____
[ 150 ]	1	[ 207 ]	_____	[ 250 ]	_____
[ 151 ]	_____	[ 208 ]	_____	[ 251 ]	_____
[ 160 ]	1	[ 210 ]	_____	[ 252 ]	_____
[ 161 ]	_____	[ 212 ]	_____	[ 253 ]	_____
[ 162 ]	_____	[ 213 ]	_____	[ 291 ]	2
[ 163 ]	_____	[ 216 ]	_____	[ 292 ]	2
[ 164 ]	_____	[ 217 ]	_____	[ 370 ]	_____
[ 165 ]	_____	[ 218 ]	_____	[ 435 ]	_____



## NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2001-12-31

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[ 990 ]	1		
	XXXXXXXXXXXXX		
[ 280 ]	2		
[ 281 ]	2		
[ 282 ]	_____		
[ 283 ]	2		
[ 284 ]	Electricity		
[ 286 ]	_____		
[ 288 ]	_____		
[ 285 ]	100		
[ 287 ]	_____		
[ 289 ]	_____		
[ 950 ]	Enright		
[ 951 ]	Thomas		
[ 954 ]	Chairman		
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[ 956 ]	519 245 2010		

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2001-12-31

[ 300 ]	0	[ 440 ]	_____	[ 652 ]	_____
[ 311 ]	_____	[ 445 ]	_____	[ 700 ]	_____
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[ 314 ]	_____	[ 632 ]	_____	[ 704 ]	_____
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[ 325 ]	_____	[ 780 ]	_____	[ 716 ]	_____
[ 331 ]	_____		XXXXXXXXXXXXX	[ 720 ]	_____
[ 332 ]	_____			[ 724 ]	_____
[ 333 ]	_____	[ 460 ]	_____	[ 727 ]	_____
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[ 340 ]	_____	[ 485 ]	_____	[ 765 ]	_____
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	XXXXXXXXXXXXX	[ 550 ]	_____	[ 784 ]	_____
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[ 405 ]	_____	[ 608 ]	_____	[ 796 ]	_____
[ 410 ]	100 000	[ 616 ]	_____	[ 797 ]	_____
[ 425 ]	100 000	[ 620 ]	_____	[ 800 ]	_____
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NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2001-12-31

**Certification**

I, Thomas Enright, am an authorized signing officer of the corporation.

I certify that the following amounts are, to the best of my knowledge, correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return for the taxation year noted above.

Net income or (loss) for income tax purposes from Schedule 001, or GIF1 [line 200300]	0
Part I tax payable [line 200700]	0
Part I.3 tax payable [line 200704]	0
Part II surtax payable [line 200708]	0
Part IV tax payable [line 200712]	0
Part IV.1 tax payable [line 200716]	0
Part VI tax payable [line 200720]	0
Part VI.1 tax payable [line 200724]	0
Part XIV tax payable [line 200728]	0
Net provincial and territorial tax payable [line 200760]	0
Provincial tax on large corporations [line 200765]	0

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.

2005/04/25

Date

Signature of an authorized signing officer of the  
corporation

Chairman

Position, office or  
rank

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2001-12-31

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[ 700 ] 149(1)(d.6) adjustment  
[ 701 ] \_\_\_\_\_  
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[ 117 ]	_____	[ 203 ]	_____	[ 220 ]	_____

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2001-12-31

[ 221 ]	_____	[ 300 ]	_____	[ 401 ]	_____
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[ 226 ]	_____	[ 305 ]	_____	[ 406 ]	_____
[ 227 ]	_____	[ 306 ]	_____	[ 407 ]	_____
[ 228 ]	_____	[ 307 ]	_____	[ 408 ]	_____
[ 229 ]	_____	[ 308 ]	_____	[ 409 ]	_____
[ 230 ]	_____	[ 309 ]	_____	[ 410 ]	_____
[ 231 ]	_____	[ 310 ]	_____	[ 411 ]	_____
[ 232 ]	_____	[ 311 ]	_____	[ 413 ]	_____
[ 233 ]	_____	[ 312 ]	_____	[ 414 ]	_____
[ 234 ]	_____	[ 313 ]	_____	[ 416 ]	_____
[ 235 ]	_____	[ 314 ]	_____	[ 417 ]	_____
[ 236 ]	_____	[ 315 ]	_____	[ 499 ]	114 535
[ 237 ]	_____	[ 316 ]	_____	[ 510 ]	114 535
[ 238 ]	_____	[ 340 ]	_____		XXXXXXXXXXXXX
[ 290 ]	_____	[ 341 ]	_____		
[ 291 ]	_____	[ 342 ]	_____		
[ 292 ]	_____	[ 343 ]	_____		
[ 293 ]	_____	[ 344 ]	_____		
[ 294 ]	_____	[ 345 ]	_____		
	XXXXXXXXXXXXX	[ 346 ]	_____		
		[ 390 ]	114 535		
		[ 391 ]	_____		
		[ 392 ]	_____		
		[ 393 ]	_____		
		[ 394 ]	_____		
			XXXXXXXXXXXXX		

**NAME: Middlesex Power Distribution Corporation - Federal Return Only****BN: 86570 1635 RC 0001****Taxation Year End: 2001-12-31**

[ 300 ]    1. 88102 2925 RC 0001  
            2. 86965 3329 RC 0001    \*

[ 400 ]    1. 1  
            2. 3    \*  
            XXXXXXXXXXXX

[ 100 ]    1. Middlesex Power Corporation  
            2. Middlesex Energy Services Corporation    \*

[ 200 ]    1. \_\_\_\_\_  
            2. \_\_\_\_\_    \*

[ 500 ]    1. 4 631 198  
            2. \_\_\_\_\_    \*

[ 550 ]    1. 100  
            2. \_\_\_\_\_    \*

[ 600 ]    1. \_\_\_\_\_  
            2. \_\_\_\_\_    \*

[ 650 ]    1. \_\_\_\_\_  
            2. \_\_\_\_\_    \*

[ 700 ]    1. 4 631 198  
            2. \_\_\_\_\_    \*  
            XXXXXXXXXXXX

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2001-12-31

[ 025 ] \_\_\_\_\_

[ 050 ] 2001

[ 075 ] 2

[ 200 ] 1. 86570 1635 RC 0001  
2. 86965 3329 RC 0001  
3. 88102 2925 RC 0001 \*

[ 300 ] 1. 1  
2. 1  
3. 1 \*

[ 500 ] 1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_ \*

XXXXXXXXXXXXX

[ 400 ] 1. 100 000  
2. 100 000  
3. \_\_\_\_\_ \*

XXXXXXXXXXXXX

[ 100 ] 1. Middlesex Power Distribution Corporation - Federal Return Only  
2. Middlesex Energy Services Corporation  
3. Middlesex Power Corporation \*

XXXXXXXXXXXXX

**NAME: Middlesex Power Distribution Corporation - Federal Return Only**

**BN: 86570 1635 RC 0001**

**Taxation Year End: 2001-12-31**

[ 100 ]     1. Middlesex Power Corporation     \*

[ 200 ]     1. 88102 2925 RC 0001     \*

[ 300 ]     1. \_\_\_\_\_     \*

[ 400 ]     1. 100     \*

[ 500 ]     1. \_\_\_\_\_     \*

XXXXXXXXXXXXX



## NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2001-12-31

[ 3640 ]	11 845 448	[ 3660 ]	# 395 862
	XXXXXXXXXXXX	[ 3680 ]	# 360 704
		[ 3849 ]	# 756 566
[ 1000 ]			XXXXXXXXXXXX
[ 1060 ]	1 652 013		
[ 1120 ]	358 852		
[ 1125 ]	688 989		
[ 1480 ]	78 928		
[ 1484 ]	707		
[ 1682 ]	9 275 997		
[ 1683 ]	# 555 464		
[ 2240 ]	345 426		
[ 2599 ]	11 845 448		
	XXXXXXXXXXXX		
[ 2600 ]	271 297		
[ 2620 ]	2 273 226		
[ 2627 ]	135 229		
[ 2701 ]	382 408		
[ 2961 ]	124 708		
[ 3140 ]	527 875		
[ 3152 ]	4 356 925		
[ 3300 ]	23 686		
[ 3499 ]	8 095 354		
	XXXXXXXXXXXX		
[ 3500 ]	4 631 198		
[ 3540 ]	# 124 538		
[ 3600 ]	# 756 566		
[ 3620 ]	3 750 094		
	XXXXXXXXXXXX		



## CORPORATION NOTICE OF ASSESSMENT

Winnipeg MB R3C 3M2

0001102

Page 1 of 6

MIDDLESEX POWER DISTRIBUTION  
CORPORATION  
351 FRANCES STREET,  
STRATHROY ON N7G 2L7

Date of mailing June 10, 2005
Business Number 86570 1635 RC0001
Taxation year-end December 31, 2001

### RESULTS

This notice explains the results of our assessment of the T2 return for the taxation year indicated above. It also explains any changes we may have made to the return.

Result of this Assessment : \$ 0.00

Please refer to the Summary and Explanation for additional information.



# CORPORATION NOTICE OF ASSESSMENT

0001103

Page 3 of 6

MIDDLESEX POWER DISTRIBUTION CORPORATION

Date of mailing June 10, 2005
Business Number 86570 1635 RC0001
Taxation year-end December 31, 2001

## SUMMARY OF ASSESSMENT

	\$ Reported	\$ Assessed
<b>Federal Tax:</b>		
Part I	0.00	0.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIII.1	0.00	0.00
Part XIV	0.00	0.00
		=====
<b>Total Federal Tax:</b>		\$ 0.00
		=====
	<b>Net balance:</b>	\$ 0.00
		=====
	<b>Result of this assessment:</b>	\$ 0.00

Michel Dorais  
Commissioner of Customs and Revenue

## EXPLANATION

Please visit our Web site at [www.cra.gc.ca/requests-business](http://www.cra.gc.ca/requests-business) for information about online requests available to business clients. This service allows clients to electronically request certain financial actions, additional remittance vouchers and other communication products, as well as reproductions of previously issued correspondence.

Did you know you may be eligible to file your return using our Corporation Internet Filing service. For information on eligibility criteria and the service in general, please visit [www.cra.gc.ca/corporation-internet](http://www.cra.gc.ca/corporation-internet).

If you require additional information or wish to request an adjustment, contact:

Winnipeg Tax Centre  
66 Stapon Road  
Winnipeg  
Phone  
Fax  
Toll free number  
We accept collect calls.

MB R3C 3M2  
1-800-724-1128  
(204) 984-0418  
1-800-724-1128

London Tax Services  
P.O. Box 5548  
London  
Toll free number

ON N6A 4R3  
1-800-959-5525

**GENERAL INFORMATION**

Any reference to the term "reporting period" on this notice has the same meaning as the term "taxation year." Both terms describe the period assessed. The term "taxation year" is defined in the *Income Tax Act*.

We calculate interest at rates prescribed by regulations.

**HELP FOR PEOPLE WHO ARE DEAF**

If you are deaf and have access to a Telephone Device for the Deaf (TDD), you can call toll-free for explanations and information about the corporation's tax return. This bilingual service is available year-round from Monday to Friday (except for statutory holidays). You can phone 1-800-665-0354 between 8:15 a.m. and 5:00 p.m. Eastern Time. When calling, please take into account any time zone differences.

**FILING AN OBJECTION**

If you do not agree with this assessment, you can file an objection. You can do this by sending either a letter or Form T400A, *Objection*, to the Chief of Appeals at your tax services office or tax centre.

You have to file an objection within 90 days of the day we mailed the *Notice of Assessment*.

For a large corporation (as defined in subsection 225.1(8) of the *Income Tax Act*), the notice of objection shall:

- reasonably describe each issue;
- specify the relief you are seeking, expressed as an amount of a change in balance (as defined in subsection 152(4.4) of the *Income Tax Act*) or a balance of undeducted outlays, expenses, or other amounts of the corporation; and
- provide facts and reasons the corporation relied on for each issue.

**DETERMINING THE CORPORATION'S LOSSES**

If you do not agree with the amount of loss ascertained, you can write to your tax services office requesting a determination of the loss. However, we will only issue a *Notice of Determination/Redetermination of a Loss* if the loss reported is revised at the initial assessing stage or as a result of a reassessment arising from an audit or other investigative action by the Department.

**NORMAL REASSESSMENT PERIOD**

This may be the only notice the corporation will receive for this taxation year. However, we may reassess a T2 return if an error is brought to our attention or if we find an error during our post-assessing reviews. Generally, we will only reassess a T2 return within the "normal reassessment period." The normal reassessment period begins on the date of mailing the original *Notice of Assessment* or notification that no tax is payable. The period ends:

- three years from this date if the corporation is a Canadian-controlled private corporation; and
- four years from this date for all other corporations.

**EXTENSIONS TO THE NORMAL REASSESSMENT PERIOD**

We may also reassess a T2 return for a particular taxation year:

1. within one year after all rights of objection and appeal have expired for a preceding taxation year if:
  - the result of an assessment or a decision on an appeal will change the balance (as defined in subsection 152(4.4) of the *Income Tax Act*) of the preceding taxation year, and
  - the reassessment to the particular year is related to the balance adjusted in the preceding year.
2. within three years after the end of the normal reassessment period if:
  - you are carrying back a loss or credit from a later taxation year;
  - a non-arm's length transaction between the corporation and a non-resident affects the corporation's tax;
  - the corporation paid an amount or received a refund of foreign income or profits tax;
  - another taxpayer's reassessment for any of the above reasons affects the corporation's tax; or
  - another taxation year's reassessment (has to be a prior taxation year if the reassessment relates to a loss or credit carry-back) for any of the above reasons affects the corporation's tax.

**Attachment 11**  
**2002 Revised SIMPIL Model**

## Disposition of Balance Recorded in Account 1562 Deferred PILs

Distributor	Middlesex Power Distribution Corp. - Middlesex
OEB File Number	EB-2012-0098
Filing Year	2002

	A	B	C	D	E
1	<b>PILs TAXES</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	Utility Name: Middlesex Power Distribution Corp. - Middlesex			Colour Code	
4	Reporting period: 2002			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?	Y/N		Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?	Y/N		N	
16					
17	Is the utility a non-profit corporation?	Y/N		N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT	Y/N	Y	
20		LCT	Y/N	N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		100%	
22		LCT		100%	
23					
24	Accounting Year End	Date		12-31-2002	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			10,288,429	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			881,204	
42					
43	1999 return from RUD Sheet #7			18,430	18,430
44					
45	Total Incremental revenue			862,774	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			287,591	287,591
48	Amount allowed in 2002			287,591	287,591
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				593,612
55					
56	Equity			5,144,215	
57					
58	Return at target ROE			508,248	
59					
60	Debt			5,144,215	
61					
62	Deemed interest amount in 100% of MARR			372,956	
63					
64	Phase-in of interest - Year 1 (2001)			129,519	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			251,237	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			251,237	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			372,956	
71					
72					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	ITEM	Initial		M of F	M of F	Tax	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		Estimate		Filing	Filing	Returns	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5							Version 2009.1	
6	Utility Name: Middlesex Power Distribution Corp. - Middlesex							
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	593,612		-520,229		73,383	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	457,151		47,467		504,618	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>		4,291		-4,291		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	402,922		-167,242		235,680	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	251,237		91,084		342,321	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		400,895		(400,895)	Before loss C/F	0	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		-15.0000%		19.12%	
54								
55	REGULATORY INCOME TAX		136,785		-136,785	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		136,785		-136,785	Actual	0	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	10,288,429		-1,154,732		9,133,697	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-99,326		4,900,674	
68	Taxable Capital		5,288,429		-1,254,058		4,233,023	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		15,865		-3,166	Overpaid	12,699	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	10,288,429		-10,288,429			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		288,429		-10,288,429		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		649		-649		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	4,490		-4,490		0	
83								
84	Net LCT		0		3,841		0	
85								



	A	B	C	D	E	F	G	H
1	PILs TAXES	ITEM	Initial Estimate		M of F Filing Variance K-C	M of F Filing Variance Explanation	Tax Returns	
2	PILs DEFERRAL AND VARIANCE ACCOUNTS							
3	TAX CALCULATIONS (TAXCALC)							
4	("Wires-only" business - see Tab TAXREC)							
5								
6	Utility Name: Middlesex Power Distribution Corp. - Middlesex	0					Version 2009.1	
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days				Column Brought From TAXREC	
10	Total days in the calendar year:	365	days					
11								
12			\$		\$		\$	
13								
86	III) INCLUSION IN RATES							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		33.00%					
89								
90	Income Tax (proxy tax is grossed-up)	22	204,157			Actual 2002	0	
91	LCT (proxy tax is grossed-up)	23	0			Actual 2002	0	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	15,865			Actual 2002	12,699	
93								
94								
95	Total PILs for Rate Adjustment -- MUST AGREE WITH 2002 RAM DECISION	25	220,022.65			Actual 2002	12,699	
96								
97								
98								
99	IV) FUTURE TRUE-UPS							
100	IV a) Calculation of the True-up Variance				DR/(CR)			
101	In Additions:							
102	Employee Benefit Plans - Accrued, Not Paid	3			0			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			0			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	In Deductions - positive numbers							
109	Employee Benefit Plans - Paid Amounts	8			0			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			0			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26			=	0		
121								
122	Income Tax Rate (including surtax) from 2002 Utility's tax return				x	19.12%		
123								
124	Income Tax Effect on True-up adjustments				=	0		
125								
126	Less: Miscellaneous Tax Credits	14				0		
127								
128	Total Income Tax on True-ups					0		
129								
130	Income Tax Rate used for gross-up (exclude surtax)					18.00%		
131								
132	TRUE-UP VARIANCE ADJUSTMENT					0		
133								
134	IV b) Calculation of the Deferral Account Variance caused by changes in legislation							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)				=	400,895		
137								
138	REVISED CORPORATE INCOME TAX RATE (including surtax)				x	19.12%		
139								
140	REVISED REGULATORY INCOME TAX				=	76,651		
141								
142	Less: Revised Miscellaneous Tax Credits				-	0		
143								
144	Total Revised Regulatory Income Tax				=	76,651		
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)				-	136,785		
147								
148	Regulatory Income Tax Variance				=	(60,134)		
149								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial Estimate</b>		<b>M of F Filing Variance K-C</b>	<b>M of F Filing Variance Explanation</b>	<b>Tax Returns</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>							
3	<b>TAX CALCULATIONS (TAXCALC)</b>							
4	(*Wires-only* business - see Tab TAXREC)							
5								
6	Utility Name: Middlesex Power Distribution Corp. - Middlesex	0					Version 2009.1	
7	Reporting period: 2002							
8								
9	Days in reporting period:	365	days					
10	Total days in the calendar year:	365	days				Column Brought From TAXREC	
11								
12								
13			\$		\$		\$	
150	<b>Ontario Capital Tax</b>							
151	Base				=	10,288,429		
152	Less: Exemption from tab Tax Rates, Table 2, cell C39				-	5,000,000		
153	Revised deemed taxable capital				=	5,288,429		
154								
155	Rate - Tab Tax Rates cell C54				x	0.3000%		
156								
157	Revised Ontario Capital Tax				=	15,865		
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)				-	15,865		
159	Regulatory Ontario Capital Tax Variance				=	0		
160								
161	<b>Federal LCT</b>							
162	Base					10,288,429		
163	Less: Exemption from tab Tax Rates, Table 2, cell C40				-	10,000,000		
164	Revised Federal LCT				=	288,429		
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51					0.2250%		
167								
168	Gross Amount					649		
169	Less: Federal surtax				-	4,490		
170	Revised Net LCT				=	0		
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)				-	0		
173	Regulatory Federal LCT Variance				=	0		
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)					18.00%		
176								
177	<b>Income Tax (grossed-up)</b>				+	(73,334)		
178	<b>LCT (grossed-up)</b>				+	0		
179	<b>Ontario Capital Tax</b>				+	0		
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>				=	(73,334)		
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>				+	0		
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>				=	(73,334)		
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)					372,956		
194	Interest phased-in (Cell C36)					251,237		
195								
196	Variance due to phase-in of debt component of MARR in rates					121,719		
197	according to the Board's decision							
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels</b>							
200	<b>Above Deemed Debt per Rate Handbook)</b>							
201	Interest deducted on MoF filing (Cell K36+K41)					342,321		
202	Total deemed interest (REGINFO CELL D61)					372,956		
203								
204	Variance caused by excess debt					0		
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>					0		
207								
208	<b>Total Interest Variance</b>					121,719		

	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4			<b>Return</b>		
5		0			Version 2009.1
6	<b>Section A: Identification:</b>				
7	Utility Name: Middlesex Power Distribution Corp. - Middlesex				
8	Reporting period: 2002				
9	Taxation Year's start date:				
10	Taxation Year's end date:				
11	Number of days in taxation year:		365	days	
12					
13	Please enter the Materiality Level :		0	< - enter materiality level	
14	(0.25% x Rate Base x CER)	Y/N	Y		
15	(0.25% x Net Assets)	Y/N	N		
16	Or other measure (please provide the basis of the amount)	Y/N	N		
17	Does the utility carry on non-wires related operation?	Y/N	N		
18	(Please complete the questionnaire in the Background questionnaire worksheet.)				
19					
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K				
21					
22	<b>Section B: Financial statements data:</b>				
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>				
24	<i>The actual categories of the income statements should be used.</i>				
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>				
26					
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>				
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>				
29					
30	<b>Income:</b>				
31	Energy Sales	+	13,415,745		13,415,745
32	Distribution Revenue	+	1,759,488		1,759,488
33	Other Income	+	191,834		191,834
34	Miscellaneous income	+			0
35		+			0
36	Revenue should be entered above this line				
37					
38	<b>Costs and Expenses:</b>				
39	Cost of energy purchased	-	13,415,745		13,415,745
40	Administration	-	533,206		533,206
41	Customer billing and collecting	-	398,670		398,670
42	Operations and maintenance	-	441,445		441,445
43	Amortization	-	504,618		504,618
44	Ontario Capital Tax	-			0
45		-			0
46		-			0
47		-			0
48		-			0
49					
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	73,383	0	73,383
51	Less: Interest expense for accounting purposes	-	342,321		342,321
52	Provision for payments in lieu of income taxes	-			0
53	<b>Net Income (loss)</b>	=	-268,938	0	-268,938
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )				
55					
56	<b>Section C: Reconciliation of accounting income to taxable income</b>				
57	<b>From T2 Schedule 1</b>				
58	<b>BOOK TO TAX ADDITIONS:</b>				
59	Provision for income tax	+	0	0	0
60	Federal large corporation tax	+			0
61	Depreciation & Amortization	+	504,618	0	504,618
62	Employee benefit plans-accrued, not paid	+		0	0
63	Tax reserves - beginning of year	+	0	0	0
64	Reserves from financial statements- end of year	+	0	0	0

	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4		<b>0</b>	<b>Return</b>		
5					<b>Version 2009.1</b>
65	Regulatory adjustments on which true-up may apply (see A66)	+			0
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0
67	Material addition items from TAXREC 2	+	0	0	0
68	Other addition items (not Material) from TAXREC 2	+	0	0	0
69					
70	<i>Subtotal</i>		504,618	0	504,618
71					
72	<i>Other Additions: (Please explain the nature of the additions)</i>				
73	Recapture of CCA	+			0
74	Non-deductible meals and entertainment expense	+			0
75	Capital items expensed	+			0
76		+			0
77		+			0
78		+			0
79		+			0
80	<i>Total Other Additions</i>	=	0	0	0
81					
82	<i>Total Additions</i>	=	504,618	0	504,618
83					
84	Recap Material Additions:				
85			0	0	0
86			0	0	0
87			0	0	0
88			0	0	0
89			0	0	0
90			0	0	0
91			0	0	0
92	<i>Total Other additions &gt;materiality level</i>		0	0	0
93	Other additions (less than materiality level)		0	0	0
94	<i>Total Other Additions</i>		0	0	0
95					
96	BOOK TO TAX DEDUCTIONS:				
97	Capital cost allowance	-	235,680		235,680
98	Cumulative eligible capital deduction	-			0
99	Employee benefit plans-paid amounts	-			0
100	Items capitalized for regulatory purposes	-			0
101	<i>Regulatory adjustments :</i>	-			0
102	CCA	-			0
103	<i>other deductions</i>	-			0
104	<i>Tax reserves - end of year</i>	-	0	0	0
105	<i>Reserves from financial statements- beginning of year</i>	-	0	0	0
106	<i>Contributions to deferred income plans</i>	-			0
107	<i>Contributions to pension plans</i>	-			0
108	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0
109	Interest capitalized for accounting deducted for tax	-			0
110	Material deduction items from TAXREC 2	-	0	0	0
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0
112					
113	<i>Subtotal</i>	=	235,680	0	235,680
114	<i>Other deductions (Please explain the nature of the deductions)</i>				
115	<b>Charitable donations - tax basis</b>	-			0
116	<i>Gain on disposal of assets</i>	-			0
117		-			0
118		-			0
119		-			0
120	<i>Total Other Deductions</i>	=	0	0	0
121					
122	<i>Total Deductions</i>	=	235,680	0	235,680
123					
124	Recap Material Deductions:				

	A	B	C	D	E
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>
4		<b>0</b>	<b>Return</b>		
5					<b>Version 2009.1</b>
125			0	0	0
126			0	0	0
127			0	0	0
128			0	0	0
129			0	0	0
130	Total Other Deductions exceed materiality level		0	0	0
131	Other Deductions less than materiality level		0	0	0
132	Total Other Deductions		0	0	0
133					
134	TAXABLE INCOME	=	0	0	0
135	DEDUCT:				
136	Non-capital loss applied	-			0
137	Net capital loss applied	-			0
138					0
139	NET TAXABLE INCOME	=	0	0	0
140					
141	FROM ACTUAL TAX RETURNS				
142	Net Federal Income Tax (Must agree with tax return)	+			0
143	Net Ontario Income Tax (Must agree with tax return)	+			0
144	Subtotal	=	0	0	0
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0
146	Total Income Tax	=	0	0	0
147					
148	FROM ACTUAL TAX RETURNS				
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%
151	Blended Income Tax Rate		0.00%	*****	0.00%
152					
153	<b>Section F: Income and Capital Taxes</b>				
154					
155	<b>RECAP</b>				
156	Total Income Taxes	+	0	0	0
157	Ontario Capital Tax	+	12,699		12,699
158	Federal Large Corporations Tax	+			0
159					
160	Total income and capital taxes	=	12,699	0	12,699

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5		0			<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Middlesex Power Distribution Corp. - Middlesex</b>					
8	<b>Reporting period: 2002</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts				0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59					0	
60					0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
64						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	Utility Name: Middlesex Power Distribution Corp. - Middlesex					
9	Reporting period: 2002					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Middlesex Power Distribution Corp. - Middlesex</b>					
9	<b>Reporting period: 2002</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-			0	
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						



	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	Wires-only	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return			
8	Utility Name: Middlesex Power Distribution Corp. - Middlesex				Version 2009.1	
9						
10						
11	Reporting period: 2002					
12	Number of days in taxation year:		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	Utility Name: Middlesex Power Distribution Corp. - Middlesex				<b>Version 2009.1</b>	
9						
10						
11	Reporting period: 2002					
12	Number of days in taxation year:			365		
13						
14						
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0	0	
74						
75						

	A	B	C	D	E	F
1	PILs TAXES					
2	Corporate Tax Rates					Version 2009.1
3	Exemptions, Deductions, or Thresholds					
4	Utility Name: Middlesex Power Distribution Corp. - Middlesex					
5	Reporting period: 2002					
6						
7						Table 1
8	Rates Used in 2002 RAM PILs Applications for 2002					
9	Income Range		0		200,001	
10	RAM 2002		to		to	>700,000
11		Year	200,000		700,000	
12	Income Tax Rate					
13	Proxy Tax Year	2002				
14	Federal (Includes surtax)		13.12%		26.12%	26.12%
15	and Ontario blended		6.00%		6.00%	12.50%
16	Blended rate		19.12%		34.12%	38.62%
17						
18	Capital Tax Rate		0.300%			
19	LCT rate		0.225%			
20	Surtax		1.12%			
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000			
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000			
	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing					
23						
24						
25						Table 2
26	Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002					
27	Income Range		0		200,001	
28	Expected Rates		to		to	>700,000
29		Year	200,000		700,000	
30	Income Tax Rate					
31	Current year	2002				
32	Federal (Includes surtax)	2002	13.12%		26.12%	26.12%
33	Ontario	2002	6.00%		6.00%	12.50%
34	Blended rate	2002	19.12%		32.12%	38.62%
35						
36	Capital Tax Rate	2002	0.300%			
37	LCT rate	2002	0.225%			
38	Surtax	2002	1.12%			
39	Ontario Capital Tax Exemption *** 2002	MAX \$5MM	5,000,000			
40	Federal Large Corporations Tax Exemption *** 2002	MAX \$10MM	10,000,000			
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.					
42						
43						Table 3
44	Input Information from Utility's Actual 2002 Tax Returns					
45	Income Range		0		200,001	
46			to		to	>700,000
47		Year	200,000		700,000	
48	Income Tax Rate					
49	Current year	2002				
50	Federal (Includes surtax)		13.12%		22.12%	26.12%
51	Ontario		6.00%		9.75%	12.50%
52	Blended rate		19.12%		31.87%	38.62%
53						
54	Capital Tax Rate		0.300%			
55	LCT rate		0.225%			
56	Surtax		1.12%			
57	Ontario Capital Tax Exemption *	MAX \$5MM	4,900,674			
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000			
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36					
60						

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	<b>PILs TAXES</b>														
2	<b>Analysis of PILs Tax Account 1562:</b>														
3	<b>Utility Name: Middlesex Power Distribution Corp. - Middlesex</b>														
4	<b>Reporting period: 2002</b>														
5	Version 2009.1														
6	0														
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		-73,334		-73,334		-73,334		-73,334		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-											0		0
13	True-up Variance Adjustment Q4, 2001 (2)	+/-											0		0
14	True-up Variance Adjustment (3)	+/-			0								0		0
15	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-											0		0
16	Deferral Account Variance Adjustment (5)	+/-			-73,334								-73,334		-73,334
17	Adjustments to reported prior years' variances (6)	+/-											0		0
18	Carrying charges (7)	+/-											0		0
19	PILs billed to (collected from) customers (8)	-	0										0		0
20															
21	Ending balance: # 1562		0		-73,334		-73,334		-73,334		-73,334		-73,334		-73,334
22															
23															
24															
25															
26															
27															
28															
29															
30															
31	<b>Uncollected PILs</b>														
32															
33	<b>NOTE:</b> The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	<b>Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:</b>														
37	Method 3														
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
45	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
46															
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
48	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
54	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
64	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														
81															
82															

**Attachment 12**  
**2002 Financial Statements**

**MIDDLESEX POWER DISTRIBUTION CORPORATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2002**

CHRISTENE A. SCRIMGEOUR

C H A R T E R E D A C C O U N T A N T

AUDITOR'S REPORT

To the Shareholder and Board of Directors:

I have audited the balance sheet of the Middlesex Power Distribution Corporation as at December 31, 2002 and the statements of operations, equity and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Middlesex Power Distribution Corporation as at December 31, 2002 and the results of its operations and changes in financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

June 16, 2003  
London, Canada

*Christene Scrimgeour*  
CHARTERED ACCOUNTANT

**MIDDLESEX POWER DISTRIBUTION CORPORATION****BALANCE SHEET****DECEMBER 31, 2002**

(with comparative figures as at December 31, 2001)

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Current		
Accounts receivable	\$ 1,185,381	\$ 1,652,013
Due from Township of Strathroy-Caradoc - Water Department		345,426
Unbilled revenue	1,133,478	688,989
Inventory	377,499	358,852
Prepaid expenses	<u>38,328</u>	<u>707</u>
	<u>2,734,686</u>	<u>3,045,987</u>
Capital - at cost		
Distribution plant	7,335,867	7,199,852
General plant	<u>2,053,800</u>	<u>2,076,145</u>
	9,389,667	9,275,997
Less accumulated amortization	<u>1,060,082</u>	<u>555,464</u>
	<u>8,329,585</u>	<u>8,720,533</u>
Other assets		
Deferred assets (note 2)	<u>438,682</u>	<u>78,928</u>
	<u>438,682</u>	<u>78,928</u>
Total assets	<u>\$ 11,502,953</u>	<u>\$ 11,845,448</u>
<b>LIABILITIES AND EQUITY</b>		
Current		
Bank overdraft (note 11)	\$ 168,417	\$ 271,297
Bank loan (note 5)	340,308	382,408
Accounts payable and accrued liabilities	2,105,687	2,273,226
Due to Township of Strathroy-Caradoc - Water Department	152,685	
Due to Middlesex Energy Services Corporation	80,437	23,686
Customers' deposits	<u>80,000</u>	<u>60,000</u>
	<u>2,927,534</u>	<u>3,010,617</u>
Long term		
Long-term debt (note 6)	440,750	527,875
Promissory notes payable (note 7)	4,356,925	4,356,925
Employee future benefits	135,229	135,229
Customers' deposits	<u>161,359</u>	<u>64,708</u>
	<u>5,094,263</u>	<u>5,084,737</u>
Total liabilities	<u>8,021,797</u>	<u>8,095,354</u>
Shareholder's Equity		
Common shares (note 8)	4,631,198	4,631,198
Accumulated net earnings (deficit) - Statement 2	<u>(1,150,042)</u>	<u>(881,104)</u>
	<u>3,481,156</u>	<u>3,750,094</u>
Total liabilities and shareholder's equity	<u>\$ 11,502,953</u>	<u>\$ 11,845,448</u>

The accompanying notes are an integral part of this financial statement.



**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**  
(with comparative figures for the year ended December 31, 2001)

	<u>2002</u>	<u>2001</u>
<b>Service revenue</b>		
Residential	\$ 6,458,952	\$ 5,098,906
General	7,520,456	6,794,901
Commercial and industrial	1,078,377	2,508,914
Street lighting	<u>117,448</u>	<u>109,789</u>
	15,175,233	14,512,510
<b>Cost of power</b>	<u>13,415,745</u>	<u>13,115,102</u>
<b>Gross margin on service revenue</b>	<u>1,759,488</u>	<u>1,397,408</u>
<b>Expenditures</b>		
Administration and general	533,206	504,406
Customers' billing and collecting	398,670	289,414
Distribution expenses - operations	107,524	91,226
Distribution expenses - maintenance	333,921	279,637
Amortization (note 1)	504,618	475,239
Interest	<u>342,321</u>	<u>368,093</u>
	<u>2,220,260</u>	<u>2,008,015</u>
<b>Net operating revenue (loss)</b>	<u>(460,772)</u>	<u>(610,607)</u>
<b>Other revenue (expenditures)</b>		
Interest, late payment and miscellaneous charges	<u>191,834</u>	<u>249,903</u>
<b>Net earnings (loss) for the year</b>	<u>\$ (268,938)</u>	<u>\$ (360,704)</u>

The accompanying notes are an integral part of this financial statement.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

Middlesex Power Distribution Corporation was incorporated in Ontario on April 11, 2000 to distribute electrical power in accordance with Section 144 of the Electricity Act, 1998.

The Corporations of the Town of Strathroy, the Township of Caradoc and the Town of Parkhill passed bylaws transferring the assets and liabilities of their respective Hydro Electric Commissions effective November 1, 2000 to Middlesex Power Distribution Corporation.

1. Significant accounting policies

The Corporation's financial statements have been prepared in accordance with accounting principles for Electric Utilities as prescribed by the Ontario Energy Board. All principles employed are in accordance with the generally accepted accounting principles.

Accounts receivable

Accounts receivable are shown net of an allowance for doubtful accounts of \$45,000 (2001 - \$ 41,533).

Inventories

Inventories consist of material and supplies purchased for future use and are valued at cost using the average cost method.

Capital assets and amortization

Capital assets are amortized on a straight line basis over their anticipated useful lives as determined by the Ontario Energy Board. Capital assets include transformers which are in inventory as prescribed by the Ontario Energy Board.

Revenue Recognition

Revenue is recorded using the accrual basis of accounting and is based on regular meter readings and estimates of customer usage since the last meter reading date to the end of the year.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

2. Deferred assets

Deferred assets include transition costs of \$ 168,334 (2001 - \$78,928) and retailer settlement variance accounts of \$ 270,348 (2001 - \$NIL). The transition costs were incurred in order to prepare the Corporation for the deregulated electricity industry, which opened May 1, 2002. The retailer settlement variance accounts are a result of Bill 210 which has deferred future rate increases until 2006. It is management's belief that they will be able to recover both of these costs through rates after that time.

3. Pension agreements

The Corporation makes contributions to the Ontario Municipal Employees Retirement Savings Pension Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a contributory defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Effective August 1, 1998, the Pension Fund started a premium holiday for the members which results in a savings for both the employer and employees. The amount contributed to OMERS for 2002 is \$NIL (2001 \$NIL).

4. Class action lawsuit

A class action claiming \$500 million in restitutionary payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against Toronto Hydro Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged Late Payment charges on overdue utility bills at any time after April 1, 1981. The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under Section 347(1)(b) of the Criminal Code. The Electricity Distributors Association is undertaking the defense of this class action. At this time it is not possible to quantify the effect, if any, on the financial statements of the Corporation.

5. Bank loan

The Corporation has a demand instalment loan of \$340,308 (2001 - \$382,408) which is repayable over the next eight years at monthly payments of \$3,508 plus interest which is 1% over prime.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

6. Long-term debt

*687,125* The Corporation owes the Township of Strathroy Caradoc at December 31, 2002 \$440,750 (2001 - \$527,875). The loan bears an interest rate of 6.82% and the interest is repayable on April 4 and October 4 of each year. Principal repayments will be made over the next ~~six~~ <sup>5</sup> years as follows:

2002 to 2007

\$ 440,750

*Balance @ end of 2003*  
*approx. 353,625*

7. Promissory notes

The former Corporations of the Town of Strathroy, the Township of Caradoc and the Town of Parkhill were issued interest bearing promissory notes payable at the Bank of Canada prime lending rate which was 6% at November 1, 2000. These notes are renewable every year at November 1 at the effective Bank of Canada prime rate. The former Town of Parkhill cashed their promissory note in 2000.

8. Stated capital

The share capital of the Corporation consists of the following:

Authorized

- Unlimited number of Class A preference shares without par value
- Unlimited number of Class B preference shares without par value
- Unlimited number of voting common shares without par value

Issued

- 4,631,198 voting common shares

\$ 4,631,198

9. Corporate income taxes

The Corporation is exempt from Federal income taxes pursuant to Part 1, Division D, subsection 149(d.6) of the Canadian Income Tax Act and from Ontario income and capital taxes pursuant to Part II, Division G, subsection 57(1) and Part III, Division D, subsection 71(1), respectively, of the Ontario Corporations Tax Act until September 30, 2001 when Section 93 of the Electricity Act was enacted. The Corporation had a loss in the fourth quarter of 2001 and 2002, and therefore, no corporate income taxes are owing.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

10. Post employment benefit

The Corporation is liable for providing certain life insurance benefits for its retirees until their date of death. In accordance with the requirements of the Canadian Institute of Chartered Accountants, the present value of these benefits are to be accrued in these financial statements. The corporation received an actuarial evaluation of this liability in 2001 and has accrued the opening accrual of this benefit of \$124,538 against retained earnings as the benefit arose in prior periods.

11. Commitment

The Corporation has contracted with an unrelated party, by way of a letter of agreement, to provide the Corporation with certain management, human resources, financial, regulatory, customer support and engineering support services for an undetermined period of time. The Corporation is awaiting regulatory approval to formalize this agreement.

The Corporation, in order to obtain the electricity it requires to distribute to its customers, is required to provide security to the Independent Electricity Market Operator based on its usage as of May 1, 2002. The security obtained was a letter of credit from a financial institution for \$1,683,492 and was not utilized as at December 31, 2002.

The Corporation has an available line of credit from a financial institution for \$ 1,500,000. As at December 31, 2002, there was \$ 168,417 outstanding. The line of credit carries an interest rate of prime plus 1%.


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**Attachment 13**  
**2002 Tax Returns**

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. 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

Page 1 of 24

Corporation's Legal Name (including punctuation) Middlesex Power Distribution Corporation				Ontario Corporations Tax Account No. (MOF) 1800268	
Mailing address 351 Frances Street City: Strathroy Province: ON Country: CA Postal code: N7G 2C7				This CT23 Return covers the Taxation Year Start: 2002/01/01 End: 2002/12/31	
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes Date of change: _____				Date of Incorporation or Amalgamation 2000/04/11	
Registered/Head Office Address 351 Frances Street City: Strathroy Province: ON Country: CA Postal code: N7G 2C7				Ontario Corporation No. (MCBS) 1800268	
Location of Books and Records 351 Frances Street City: Strathroy Province: ON Country: CA Postal code: N7G 2C7				Canada Customs and Revenue Agency Business No. 865701635RC0001	
Name of person to contact regarding this CT23 Return Thomas Enright		Telephone No. (519) 245-2010	Fax No. (519) 245-5384	Jurisdiction Incorporated Ontario	
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS) City: _____ Province: _____ Country: _____ Postal code: _____				If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced: _____ Ceased: _____ <input checked="" type="checkbox"/> Not Applicable	
Former Corporation Name (Extra-Provincial Corporations only) <input type="checkbox"/> Not applicable (MCBS)				Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français	
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). No. of Schedule(s) 4				Ministry Use	
If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). <input type="checkbox"/> No Change					

## Certification (MCBS)

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

Name of Authorized Person  
Thomas Enright

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.



Taxation Year End

**Exempt From Filing (EFF)  
Corporations Tax Return Declaration**

Page 2 of 24

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)
--------------------------	--

I, \_\_\_\_\_ declare that:

The above corporation satisfies **all** of the exempt from filing criteria (a) through (f) below for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

**Criteria for exempt from filing status:**

- |  |   |
|--|---|
| <p>a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;</p> <p>b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);</p> <p>c) had no Ontario Corporations Tax payable for the taxation year;</p> | <p>d) was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more shares owned by Canadian residents as defined by the <i>Income Tax Act</i> (Canada));</p> <p>e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and</p> <p>f) is NOT subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed \$5 million or whose total revenues exceed \$10 million for the taxation year).</p> |
|--|---|

Signature	Title/Relationship to Corporation	Telephone number ( ) -	Date
-----------	-----------------------------------	---------------------------	------

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

**NOTE 1:** Filing of this declaration and the Annual Return does not constitute the filing of a Corporations Tax Return under section 75 of the *Corporations Tax Act*.

**NOTE 2:** The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

1. If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.

2. If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.
3. If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

The following 3 items **MUST** be completed if the EFF declaration only is being submitted at this time. In cases where the annual return, which includes page 1, is also being filed, completion of these fields is NOT necessary.

**1. Corporation's Mailing Address**

City	Province	Country	Postal code
------	----------	---------	-------------

**2. Ontario Corporation  
No. (MCBS)**

**3. Canada Customs and Revenue Agency  
Business No.**
 RC

A corporation must file an **Exempt From Filing Corporations Tax Return Declaration** form for each taxation year that the corporation is exempt from filing, **within 6 months** after the end of its taxation year, to the address shown at the top of Page 1.

If you check "Yes" to **ALL** of the following criteria, you are eligible to file the **CT23 Short-Form Corporation Tax Return**. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes	No		Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. <div style="text-align: right;">(nearest whole percentage)</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(d) The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each \$1,500,000 or less and the corporation is not a financial institution; OR The corporation's taxation year commences after September 30, 2001, and its gross revenue and total assets are each \$3,000,000 or less and the corporation is not a financial institution.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Indicate Share Capital with full voting rights owned by Canadian Residents <u>100</u> %	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).
<input type="checkbox"/>	<input checked="" type="checkbox"/>	(b) The corporation's taxable income for the taxation year is \$200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (Refer to guide)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(f) The corporation's Ontario allocation factor is 100%.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	(c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.			

**NOTE:** Family Farm or Fishing corporations that have a taxation year ending on or after January 1, 2000 and that are NOT subject to the Corporate Minimum Tax, may also use the **CT23 Short-Form Corporations Tax Return** if the corporation checks "Yes" to (a), (b), (c), (e) and (f) above.

**CT23 Corporations Tax Return**

CT23 Page 3 of 24

*Identification continued (for CT23 filers only)***Type of Corporation - Please check (✓) 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 %) 100 %

Ontario Retail Sales Tax Vendor  
Permit No.  
(Use Head Office No.)Ontario Employer Health Tax Account  
No.  
(Use Head Office No.)Specify major business activity  
Distribution of electricity

- ☒ 1 ☐ Family Farm Corporation s.1(2)
- 2 ☐ Family Fishing Corporation s.1(2)
- 3 ☐ Mortgage Investment Corp 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 Corp 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 Corp 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 institutions 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 check (✓) box(es) if applicable:**

- ☐ First Year of Filing
- ☐ Amended Return
- ☐ Taxation Year End has changed - Canada Customs and Revenue Agency 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: \_\_\_\_\_

Was the corporation inactive throughout the taxation year?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Are you requesting a refund due to: the Carry-back of a Loss?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
an Overpayment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
a Specified Refundable Tax Credit?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Are you a Member of a Partnership or a Joint Venture?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

**Income Tax****CT23 Page 4 of 24**

**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).

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From 690 ±
Subtract: Charitable donations	1 -
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	2 -
Subtract: Taxable dividends deductible, per federal T2 SCH 3	3 -
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002)	4 -
Subtract: Federal Part VI.1 tax X 9/3	5 -
Subtract: Prior years' losses applied - Non-capital losses	From 704 -
	From 715 inclusion
Net capital losses (page 16) X rate 50.000000 % =	714 -
Farm losses	From 724 -
Restricted farm losses	From 734 -
Limited partnership losses	From 754 -
<b>Taxable income (Non-capital loss)</b>	10 -
Addition to taxable income for unused foreign tax deduction for federal purposes	11 +
<b>Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)</b>	20 =

**Taxable Income**

		Number of days in Taxation Year			
		Days after Sept 30, 2001 and before Jan 1, 2004	Total days		
From 10 (or 20)	X30 100.0000 % X 12.5 %	33	365	+	73
	Ontario Allocation				
From 10 (or 20)	X30 100.0000 % X 14.0 %	34	365	+	73
	Ontario Allocation				
<b>Income Tax Payable (before deduction of tax credits) 29 + 32</b>					40

**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 year? (✓) ☐ Yes ☒ No

\* Income from active business carried on in Canada

for federal purposes (fed.s.125(1)(a))	50
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	51 +
Add: Losses of other years deducted for federal purposes (fed.s.111)	52 +
Subtract: Losses of other years deducted for Ontario purposes (s.34)	53 -
	= 54

Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)

55 100,000

**Ontario Business Limit Calculation**

Days after Sept. 30, 2001 and before Jan. 1, 2003			
280,000	X 28	365	÷ ** 365 = + 43 280,000
Days after Dec. 31, 2002 and before Jan. 1, 2004			
320,000	X 31	365	÷ ** 365 = + 46
Days after Dec. 31, 2003			
400,000	X 34	365	÷ ** 365 = + 47

\*\*\* Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated

Business limit for Ontario purposes 43 + 46 + 47 = 44 280,000 X 48 50.0000 % = 45 140,000

**Income eligible for the IDSBC** From 30 100.0000 % X 56 60 =

\*\*\*\* 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)).

**Income Tax** *continued from Page 4*

		Number of Days in Taxation	
Year			
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days
Calculation of IDSBC Rate	6.5 % X 28	365 + 73	365 = 79 + 6.5000
		Days after Dec 31, 2002 and before Jan 1, 2004	Total Days
	7.0 % X 31	365 + 73	365 = 89 +
		Days after Dec 31, 2003	Total Days
	8.5 % X 34	365 + 73	365 = 90 +
IDSBC Rate for Taxation Year 79 + 89 + 90			78 = 6.5000
Claim	From 60	X From 78	6.5000 % 70

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 +

**If you are a member of an associated group** (✓) 81 ☒ (Yes)

Taxable income of associated corporations (Attach schedule) 82 +

Aggregate Taxable Income 85

		Number of days in Taxation Year	
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days
Subtract: 280,000 X	28	365 + 73	365 = 113 + 280,000
		Days after Dec 31, 2002 and before Jan 1, 2004	Total Days
320,000 X	31	365 + 73	365 = 115 +
		Days after Dec 31, 2003	Total Days
400,000 X	34	365 + 73	365 = 116 +
		113 + 115 + 116	= 280,000 ▶
(If negative, enter nil)			114 - 280,000
			86 =

		Number of Days in Taxation Year	
		Days after Sept 30, 2001 and before Jan 1, 2003	Total Days
Calculation of Specified Rate for Surtax	4.333% X 28	365 + 73	365 = 95 + 4.3330
		Days after Dec 31, 2002 and before Jan 1, 2004	Total Days
	4.667% X 31	365 + 73	365 = 96 +
		Days after Dec 31, 2003	Total Days
	4.667% X 34	365 + 73	365 = 97 +
Specified rate of surtax for Taxation Year 95 + 96 + 97			94 = 4.3330
From 86	X From 94	4.3330 % =	87 =
From 87	X From 60	+ From 114	280,000 88 =

**Surtax: Lesser of 70 or 88** 100

**Income Tax** continued from Page 5

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**Additional Deduction for Credit Unions (s.51(4)) (Attach schedule 17)**110 **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 

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From 56 -

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 + From 30 100.0000 % + From 78 6.5000 % = 121

\*Ontario Allocation


Lesser of 56 or 121 122 +


120 - 56 + 122 130 =

**Taxable income** From 10 +

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From 56 -

Add: Adjustments for Surtax on Canadian-controlled private corporations From 122 +

Subtract: Taxable income 10 X Allocation % to jurisdictions outside Canada 140 

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses 141 

10 - 56 + 122 - 140 - 141 142 

**Claim****Number of Days in Taxation Year**

Days after Sept 30, 2001  
and before Jan 1, 2004

Total Days

143 X From 30 100.0000 % X 1.5% X 33 365 + 73 365 = 154 +  
Lesser of 130 or 142 \*Ontario Allocation

Days after Dec 31, 2003

Total Days

143 X From 30 100.0000 % X 2.0% X 34 + 73 365 = 156 +  
Lesser of 130 or 142 \*Ontario Allocation

M&P claim for taxation year 154 + 156 160 

*\*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 

**Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity** 162 

**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 

**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  Credit claimed 180 

**Subtotal of Income Tax** 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 190 

**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 

**Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies* to employment of eligible students.  
 Eligible credit from **5798** Summary Schedule F

192 **Ontario Film and 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 (MFO) 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 **Graduate Transitions Tax Credit (GTTC) (s.43.6)**

*Applies* to employment of eligible unemployed post secondary graduate.

No. of Graduates from **6596**  
 194

Eligible Credit from **6598** Summary Schedule G

195 **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 **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 **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 **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 (MFO) 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 **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 **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 

**Total Specified Tax Credits: 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201**

220 

**Specified Tax Credits Applied to reduce Income Tax**

225 

**Income Tax 190 - 225 OR Enter NIL if reporting Non-Capital Loss** (amount cannot be negative)

230 

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**.

**Corporate Minimum Tax (CMT)**

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**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 +	11,502,953	
* Total Revenue of the corporation			241 + 15,175,233

**If you are a member of an associated group** (✓) **242** ☒ (Yes)

Total Assets of associated corporations (Attach schedule)	243 +	4,919,244	
Total Revenue of associated corporations (Attach schedule)			244 + 77,986

Aggregate Total Assets	249 =	16,422,197	
------------------------	-------	------------	--

Aggregate Total Revenue	250 =	15,253,219	
-------------------------	-------	------------	--

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.)

Gross CMT Payable	CMT Base From <b>2135</b>	X From <b>30</b>	100.0000 % X 4%	276 =
	If negative, enter zero		Ontario Allocation	

Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)	277	
---	-----	--

Subtract: Income Tax	From <b>190</b>	-
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<b>Net CMT Payable</b> (if negative, enter Nil on page 17.)	280	=
---	-----	---

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 <b>2307</b>	
--------------------------------	------------------	--

**Application of CMT Credit Carryovers**

<b>A.</b>	Income Tax (before deduction of specified credits)	From <b>190</b>	+
	Gross CMT payable	From <b>276</b>	+
	Subtract: Foreign Tax Credit for CMT purposes	From <b>277</b>	-
	If <b>276 - 277</b> is negative, enter NIL in <b>290</b>	=	
	<b>Income Tax eligible for CMT Credit</b>	<b>290</b>	-
		<b>300</b>	=

<b>B.</b>	Income Tax (after deduction of specified credits)	From <b>230</b>	+
	Subtract: CMT credit used to reduce income taxes	<b>310</b>	-
	<b>Income Tax</b>	<b>320</b>	=

Transfer to Page 17

If **A & B** apply, **310** cannot exceed the lesser of **230**, **300** and your CMT credit carryover available **2307**.If only **B** applies, **310** cannot exceed the lesser of **230** and your CMT credit carryover available **2307**.



**Capital Tax** (Refer to Guide and Int.B. 3011)

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If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 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 calculated on Page 10 in 480 and 430 are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

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

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

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

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

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

**Paid-up Capital**

Paid-up capital stock (Int.B. 3012 and 3015)	350 +	4,631,198
Retained earnings (if deficit, deduct) (Int.B. 3012)	351 ±	(1,150,042)
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	352 +	
Loans and advances (Attach schedule)(Int.B. 3013)	353 +	
Bank loans (Int.B. 3013)	354 +	838,607
Bankers acceptances (Int.B. 3013)	355 +	
Bonds and debentures payable (Int.B. 3013)	356 +	
Mortgages payable (Int.B. 3013)	357 +	
Lien notes payable (Int.B. 3013)	358 +	4,356,925
Deferred credits (including income tax reserves, and deferred revenue where it would be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	359 +	
Contingent, investment, inventory and similar reserves (Int.B. 3012)	360 +	
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012)	361 +	
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	362 +	
<b>Subtotal</b>	<b>370 =</b>	<b>8,676,688</b>
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	371 -	(457,009)
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	372 -	
<b>Total Paid-up Capital</b>	<b>380 =</b>	<b>9,133,697</b>
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381 -	
<i>Electrical Generating Corporations Only</i> - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation		
	382	
<b>Net Paid-up Capital</b>	<b>390 =</b>	<b>9,133,697</b>

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

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

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)

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



**Capital Tax** *continued from Page 9***CT23 Page 10 of 24****Total Assets** (Int.B. 3015)

Total Assets per balance sheet	420 +	11,502,953
Mortgages or other liabilities deducted from assets	421 +	
Share of partnership(s)/joint venture(s) total assets <i>(Attach schedule)</i>	422 +	
Subtract: Investment in partnership(s)/joint venture(s)	423 -	
<b>Total Assets as adjusted</b>	430 =	11,502,953
Amounts in 360 and 361 (if deducted from assets)	440 +	
Subtract: Amounts in 371, 372 and 381	441 -	(457,009)
Subtract: Appraisal surplus if booked	442 -	
Add or Subtract: Other adjustments (specify on an attached schedule)	443 ±	
<b>Total Assets</b>	450 =	11,959,962

**Investment Allowance** (410 + 450) X 390

Not to exceed 410 460

**Taxable Capital** 390 - 460

470 9,133,697

**Gross Revenue** (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation 15,175,233

Corporation's Share of partnership(s)/joint venture(s) Gross Revenue *(Attach schedule)*

Aggregate of Gross Revenue 15,175,233 480 15,175,233

**Total Assets** (as adjusted) From 430 11,502,953**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		Days in taxation year			
=	471	x From 30	100.0000	x 0.3% x 555	365
		Ontario Allocation		**365/366	
					= 523 +
					Transfer to 543 on page 12 and complete the return from that point

\*\* If floating taxation year, refer to Guide.

*continued on Page 11*

**Capital Tax Calculation** *continued from page 10*

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**SECTION 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 calculate your capital tax calculation under either Section D or Section E.

- C1.** ☐ **509** (✓ 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** (✓ 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**

able Capital form 470 on page 10	From 470 +	9,133,697
<b>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</b>		
Taxable Capital of associated corporations ( <i>Attach schedule</i> )	531 +	185,120
Total Aggregate Taxable Capital 470 + 531	540 =	9,318,817

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 9,133,697 + From 540 9,318,817 X 5,000,000 541 = 4,900,674  
*Transfer to Section 542 in D on page 12*

**Ss.69(2.1) Election Filed**

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

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

## SECTION E

## Calculation of Capital Tax for Financial Institutions

### 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.

## 1.2 Other than Credit Unions

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

$$565 \times 0.6\% \times \text{From } 30 \times \frac{\text{Days in taxation year}}{366} = 555 + \frac{365}{366} = 569 +$$

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1

Ontario Allocation

570                      x 571                      x From 30                      % x 555                      + \*\*365/366 = 574 +                     

Adjusted TPUC                      Capital Tax Rate                      Ontario Allocation                      Days in taxation year

in accordance with                      (Refer to Guide)

Division B.1 in excess

of Basic Capital Amount

<b>Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574</b>	<b>575</b>
--	------------

**\*\* If floating taxation year, refer to Guide.**

## II. Small Business Investment Tax Credit

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

**Allowable Credit for Eligible Investments** **585**

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

**Capital Tax - Financial Institutions 575 - 585** **586=**

Transfer to 543 on Page 12

## Premium Tax (s.74.2 & 74.3) *(refer to Guide)*

(1) <u>Uninsured Benefits Arrangements</u>	587	x 2%	588
--	-----	------	-----

***Applies*** to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)

**Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.**

Deduct: Specified Tax Credits applied to reduce premium tax (Refer to guide) 589

Premium Tax 588 - 589	590
-----------------------	-----

Transfer to Page 17

**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±***Transfer to Page 15***Add:**

Federal capital cost allowance	601 +	235,680
Federal cumulative eligible capital deduction	602 +	
Ontario taxable capital gain	603 +	
Federal non-allowable reserves. Balance beginning of year	604 +	
Federal allowable reserves. Balance end of year	605 +	
Ontario non-allowable reserves. Balance end of year	606 +	
Ontario allowable reserves. Balance beginning of year	607 +	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608 +	
Federal resource allowance	609 +	
Federal depletion allowance	610 +	
Federal foreign exploration and development expenses	611 +	
Management fees, rents, royalties and similar payments to non-arms' length non-residents		

**Number of days in Taxation Year**

Days after Sept. 30, 2001  
and before Jan. 1, 2004      Total days

612 \_\_\_\_\_ X 5/12.5 X 33      365 + 73      365 = 633 + \_\_\_\_\_

Days after Dec. 31, 2003      Total days

612 \_\_\_\_\_ X 5/14.0 X 34      + 73      365 = 634 + \_\_\_\_\_

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

▶ 613 +

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 +

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

616 +

Federal allowable business investment loss

620 +

Total of other items not allowed by Ontario but allowed federally (*Attach schedule*)

614 +

**Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614****= 235,680 640 235,680***Transfer to Page 15***Deduct:**

Ontario capital cost allowance (excludes amounts deducted under 675)	650 +	235,680
Ontario cumulative eligible capital deduction	651 +	
Federal taxable capital gain	652 +	
Ontario non-allowable reserves. Balance beginning of year	653 +	
Ontario allowable reserves. Balance end of year	654 +	
Federal non-allowable reserves. Balance end of year	655 +	
Federal allowable reserves. Balance beginning of year	656 +	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE)		
( <i>Retain calculations. Do not submit.</i> )	657 +	
Ontario depletion allowance	658 +	
Ontario resource allowance	659 +	
Ontario current cost adjustment ( <i>Attach schedule</i> )	661 +	
Incentive for new electricity supply (section 13.6 deduction from income)		
( <i>Applies only to electrical generating corporations.</i> )	674 +	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	675 +	
<b>Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675</b>	<b>681</b>	<b>235,680</b>

*Transfer to 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 ±	
Sub Total of Additions	From 640 =	235,680

Sub Total of deductions on page 14	From 681 =	235,680
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**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

**ONTTI Gross-up deduction calculation:**

From Gross-up of CCA

662 x 100/30 100.0000 - From 662 663

Ontario allocation

**Workplace Child Care Tax Incentive**Qualifying expenditures: 665 x 30% x 100/30 100.0000 666  
Ontario Allocation**Workplace Accessibility Tax Incentive**Qualifying expenditures: 667 x 100% x 100/30 100.0000 668  
Ontario Allocation**Number of**

Employees accommodated 669

**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 x 30% x 100/30 100.0000 671  
Ontario Allocation**Educational Technology Tax Incentive** *(Applies to qualifying amounts incurred after May 2, 2000.)*Qualifying expenditures 672 x 15% x 100/30 100.0000 673  
Ontario Allocation**Ontario allowable business investment loss**

678 +

**Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161**

679 +

**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 +

**Total of other deductions allowed by Ontario (Attach schedule)**

664 +

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664	=	235,680	680	235,680
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**Net income (loss) for Ontario purposes** 600 + 640 - 680

690 =

*Transfer to Page 4*

**Continuity of Losses Carried Forward****CT23 Page 16 of 24**

	<b>Non-Capital Losses (1)</b>	<b>Total Capital Losses (9) (10)</b>	<b>Farm Losses</b>	<b>Restricted Farm Losses</b>	<b>Listed Personal Property Losses</b>	<b>Limited Partnership Losses (6)</b>
<b>Balance at Beginning of Year</b>	<b>700 (2)</b>	<b>710 (2)</b>	<b>720 (2)</b>	<b>730</b>	<b>740</b>	<b>750</b>
<b>Adjusted:</b>	<b>701</b>	<b>711</b>	<b>721</b>	<b>731</b>	<b>741</b>	<b>751</b>
Current year's losses (7)	<b>702</b>	<b>712</b>	<b>722</b>	<b>732</b>		<b>752</b>
Losses from predecessor corporations (3)	<b>703</b>	<b>713</b>	<b>723</b>	<b>733</b>	<b>743</b>	<b>753</b>
<b>Subtotal</b>						
<b>Subtract:</b>	<b>704 (2)</b>	<b>715 (2)(4)</b>	<b>724 (2)</b>	<b>734 (2)(4)</b>	<b>744 (4)</b>	<b>754 (4)</b>
Utilized during the year to reduce taxable income	<b>705</b>		<b>725</b>	<b>735</b>	<b>745</b>	
Expired during the year	<b>706 (2) To Pg 17</b>	<b>716 (2) To Pg 17</b>	<b>726 (2) To Pg 17</b>	<b>736 (2) To Pg 17</b>	<b>746</b>	
Carried back to prior years to reduce income (5)	<b>707</b>	<b>717</b>	<b>727</b>	<b>737</b>	<b>747</b>	<b>757</b>
<b>Subtotal</b>						
<b>Balance at End of Year</b>	<b>709 (8)</b>	<b>719</b>	<b>729</b>	<b>739</b>	<b>749</b>	<b>759</b>

**Notes:**

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.
- (3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) 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.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amounts from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in **709** must equal total of **829 + 839**.
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

**Analysis of Balance by Year of Origin**

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



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

**Applies** to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
  - Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Minister 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
<b>Total amount of loss</b>	910	920	930	940
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
<b>Predecessor Corporation's Taxation Year</b>				
<b>Account No. (MOF)</b>				
i) 3rd preceding 901 2000/09/30	911	921	931	941
ii) 2nd preceding 902 2001/09/30	912	922	932	942
iii) 1st preceding 903 2001/12/31	913	923	933	943
<b>Total loss to be carried back</b>	From 706	From 716	From 726	From 736
<b>Balance of loss available for carryforward</b>	919	929	939	949

**Summary**

Income Tax	From 230 or 320	+	
Corporate Minimum Tax	From 280	+	
Capital Tax	From 550	+	12,699
Premium Tax	From 590	+	
<b>Total Tax Payable</b>	<b>950</b>	<b>=</b>	<b>12,699</b>
<b>Subtract:</b>			
Payments	960		
Capital Gains Refund (s.48)	965		
Qualifying Environmental Trust Tax Credit			
(Refer to Guide)	985		
Specified Tax Credits			
(Refer to Guide)	955		
<b>Balance</b>	<b>970</b>	<b>=</b>	<b>12,699</b>
If payment due	Enclosed *	990	
If overpayment: Refund (Refer to Guide)	975	<b>=</b>	
Apply to	980		
	(Includes credit interest)		

- \* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, **payable to the Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the 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		
Thomas Enright		
Title		
Chairman		
Full Residence Address		
351 Frances Street		
City		
Strathroy		
Province	Country	Postal Code
ON	CA	N7G 2C7
Signature		Date
		2005/04/22

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



**Corporate Minimum Tax - Schedule A:**  
**Calculation of CMT Base**

CT23 Schedule A

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**Banks** - 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± (268,938)

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

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

Subtotal = 2109-

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

Provision for current taxes / cost of current income taxes	2110+
Provision for deferred income taxes (debits) / cost of future income taxes	2111+
Equity losses from corporations	2112+
Share of partnership(s)/joint venture(s) losses	2113+
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+

Subtotal = 2115+

**Add/Subtract:**

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

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

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

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

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

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

Subtotal (Additions) = 2128+

Subtotal (Subtractions) = 2129-

\*\* Other adjustments 2130±

Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130 2131= (268,938)

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

Adjusted net income (loss) (if loss, transfer to 2202 in Schedule B) 2133= (268,938)

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

CMT losses: other eligible losses \* 2211+

= 2134-

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

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

CMT Base 2135=  
Transfer to CMT Base on page 8



## Corporate Minimum Tax (CMT)




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## Schedule D: Continuity of CMT Credit Carryovers

### CMT credit continuity by year

Year of origin	Beginning balance	Transfers on amalgamation or wind-up	Adjustments	Current year credit	Applied	Expired	Ending balance
2001/09/30							
2001/12/31							
2002/12/31							
Totals							

Balance at Beginning of year (1)	2301
----------------------------------	------

Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL) From 280 +  
CMT Credit Carryovers from predecessor corporations (2) 2302   
Amalgamation (✓) 2303 Yes Wind-up (✓) 2304 Yes

**Subtotal** = **▶ 2305+**

Adjustments (Attach schedule) 2306#

**CMT credit carryover available  $2301 + 2305 \pm 2306$**  **2307=**

*Transfer to Page 8*

Contract: CMT credit utilized during the year to reduce income tax (Page 8) From 310 +  
CMT credit expired during the year 2308

<b>Subtotal</b>	=	<b>▶ 2309-</b>
-----------------	---	----------------

<b>Balance at End of Year (3) 2307 - 2309</b>	<b>2310 =</b>
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**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))
- (3) Amount in **2310** must equal the sum of **2370 + 2390**.

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

Year of Origin (oldest year first)	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporations
2340	2360	2380
2341	2361	2281
2342	2362	2382
2343	2363	2383
2344	2364	2384
2345	2365	2385
2346	2366	2386
2347 2001/09/30	2367	2387
2348 2001/12/31	2368	2388
2349 2002/12/31	2369	2389
Totals	2370	2390

**The sum of amounts 2370 and 2390 must equal the amount in 2310.**

# MCBS

## Schedule A

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Identification			
Corporation's Legal Name (including punctuation)		Ontario Corporation No. (MCBS)	Date of Incorporation or Amalgamation
Middlesex Power Distribution Corporation		1800268	2000/04/11
Director/Officer Information			
Full Name and Address for Service:			
Last Name Weetering		First Name Gerrit	Middle Name(s)
Street Number and Name 310 Oak Ave.		Suite	
City/Town/Village Strathroy		Province/State ON	Country CA
		Postal/Zip Code N7G 3J1	
<b>Director</b>		<b>Officer</b>	
Are you a resident Canadian? (Applies to directors of business corporations only)		Indicate the appointment period for each of the following:	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Other Titles (please specify)	
Date Elected 2000/08/17		<input type="checkbox"/> Chair <input type="checkbox"/> Chair Person <input type="checkbox"/> Chairman <input type="checkbox"/> Chairwoman <input type="checkbox"/> Vice-Chair <input type="checkbox"/> Vice-President <input type="checkbox"/> Assistant Secretary <input type="checkbox"/> Assistant Treasurer <input type="checkbox"/> Chief Manager <input type="checkbox"/> Executive Director <input type="checkbox"/> Managing Director	
Date Ceased		<input type="checkbox"/> Chief Executive Officer <input type="checkbox"/> Chief Financial Officer <input type="checkbox"/> Chief Info. Officer <input type="checkbox"/> Chief Operating Officer <input type="checkbox"/> Chief Administrative Officer <input type="checkbox"/> Comptroller <input type="checkbox"/> Authorized Signing Officer <input type="checkbox"/> Other (untitled)	
<b>President</b>		Date Appointed      Date Ceased year   month   day      year   month   day	
<b>Secretary</b>		[Empty boxes for President appointment dates]	
<b>Treasurer</b>		[Empty boxes for Secretary appointment dates]	
<b>General Manager</b>		2002/12/20      [Empty boxes for Treasurer appointment dates]	
<b>Other (specify)</b>		[Empty boxes for General Manager appointment dates]	

Director/Officer Information																																																									
Full Name and Address for Service:																																																									
Last Name Taylor			First Name Larry			Middle Name(s)																																																			
Street Number and Name 141 Timber Drive						Suite																																																			
City/Town/Village London			Province/State ON			Country CA		Postal/Zip Code N6K 4A6																																																	
Director			Officer																																																						
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# Schedule A: Information on Ontario Corporations

(Corporations that are incorporated, continued or amalgamated under the Ontario Business Corporations Act)

**MCBS**

**Schedule A**

**Page 22 of 24**



to submit additional director or Officer Information, please photocopy this page and attach the completed schedules with you return.

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Director/Officer Information																																																							
Full Name and Address for Service:																																																							
Last Name King		First Name John	Middle Name(s)																																																				
Street Number and Name 24244 Saxton Road		Suite																																																					
City/Town/Village Strathroy		Province/State ON	Country CA																																																				
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Full Name and Address for Service:																																																							
Last Name Callaghan		First Name Walter	Middle Name(s)																																																				
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Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.

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**To submit additional director or Officer Information, please photocopy this page and attach the completed schedules with you return.**

Identification																																																			
Corporation's Legal Name <i>(Including punctuation)</i> Middlesex Power Distribution Corporation		Ontario Corporation No. (MCBS) 1800268	Date of Incorporation or Amalgamation 2000/04/11																																																
Director/Officer Information																																																			
Full Name and Address for Service:																																																			
Last Name Veale		First Name Mel	Middle Name(s)																																																
Street Number and Name 52 Frank Street		Suite																																																	
City/Town/Village Strathroy		Province/State ON	Country CA																																																
		Postal/Zip Code N7G 2R4																																																	
<b>Director</b>		<b>Officer</b>																																																	
Are you a resident Canadian? <i>(Applies to directors of business corporations only)</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Indicate the appointment period for each of the following: <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Date Appointed</th> <th colspan="3">Date Ceased</th> </tr> <tr> <th>year</th> <th>month</th> <th>day</th> <th>year</th> <th>month</th> <th>day</th> </tr> </thead> <tbody> <tr> <td><b>President</b></td> <td></td><td></td><td></td> <td></td><td></td><td></td> </tr> <tr> <td><b>Secretary</b></td> <td></td><td></td><td></td> <td></td><td></td><td></td> </tr> <tr> <td><b>Treasurer</b></td> <td></td><td></td><td></td> <td></td><td></td><td></td> </tr> <tr> <td><b>General Manager</b></td> <td></td><td></td><td></td> <td></td><td></td><td></td> </tr> <tr> <td><b>Other (specify)</b></td> <td></td><td></td><td></td> <td></td><td></td><td></td> </tr> </tbody> </table>			Date Appointed			Date Ceased			year	month	day	year	month	day	<b>President</b>							<b>Secretary</b>							<b>Treasurer</b>							<b>General Manager</b>							<b>Other (specify)</b>						
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Date Elected 2001/10/03		Other Titles <i>(please specify)</i> <input type="checkbox"/> Chair <input type="checkbox"/> Chief Executive Officer <input type="checkbox"/> Chair Person <input type="checkbox"/> Chief Financial Officer <input type="checkbox"/> Chairman <input type="checkbox"/> Chief Info. Officer <input type="checkbox"/> Chairwoman <input type="checkbox"/> Chief Operating Officer <input type="checkbox"/> Vice-Chair <input type="checkbox"/> Chief Administrative Officer <input type="checkbox"/> Vice-President <input type="checkbox"/> Comptroller <input type="checkbox"/> Assistant Secretary <input type="checkbox"/> Authorized Signing <input type="checkbox"/> Assistant Treasurer <input type="checkbox"/> Officer <input type="checkbox"/> Chief Manager <input type="checkbox"/> Executive Director <input type="checkbox"/> Managing Director <input type="checkbox"/> Other (untitled)																																																	
Date Ceased _____																																																			

Director/Officer Information																																																																													
Full Name and Address for Service:																																																																													
Last Name Hall			First Name Chuck			Middle Name(s)																																																																							
Street Number and Name 236 Tain Street						Suite																																																																							
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**Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.**

ProFile - Version 2004.1.4 - Approval code - 051D





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

# Ontario Capital Cost Allowance Schedule 8

## ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name Middlesex Power Distribution Corporation				Ontario Corporations Tax Account No. (MOF) 1800268		Taxation Year End 2002/12/31						
Is the corporation electing under regulation 1101(5q)? 101 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>												
1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	5,119,993	234,149			5,354,142	117,075	5,237,067	4			209,483	5,144,659
2	3,062,304				3,062,304		3,062,304	6			26,197	3,036,107
8	85,067	26,323			111,390	13,162	98,228	20				111,390
10	176,628	8,320			184,948	4,160	180,788	30				184,948
Totals	8,443,992	268,792				134,397	8,578,387				235,680	8,477,104

Enter in box 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.



Corporation's Legal Name Middlesex Power Distribution Corporation	Ontario Corporations Tax Account No. (MOF) 1800268	Taxation Year End 2002/12/31
--	---	---------------------------------

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

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

Ontario Cumulative eligible capital - balance at beginning of taxation year (if negative, enter zero)					387,839	A	
Add:	Cost of eligible capital property acquired during the taxation year	+		B			
	Amount transferred on amalgamation or wind-up of subsidiary	+		C			
	Other adjustments	+		D			
Total of	B + C + D	=		x 3/4=		E	
Subtotal A + E					=	387,839	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	+		G	
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the <i>Income Tax Act</i> (Canada)	+		H	
Other adjustments	+		I	
Total of G + H + I	=		x 3/4=	J
Ontario cumulative eligible capital balance F - J			=	387,839 K

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

Current year deduction	387,839	K x 7%*	=		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)	=		387,839	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

Complete this part only if the amount at line K is negative

Amount from line K above show as a positive amount					N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988				1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)				2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988				3	
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988				4	
Line 3 deduct line 4				5	
Total lines 1 + 2 + 5				6	
Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000				7	
Deduct line 7 from line 6					O
N - O (cannot be negative)					P
Amount on line 5		x 1/2			Q
P - Q					R
Amount on line R		x 66.6667			S
Lesser of line N or line O					T
Amount to be included in income S + T					

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

# Details of Associated Ontario Corporations

Names of associated corporations (Canadian and foreign)	Permanent establishment in Canada?	Ontario Account Number	Taxation Year End
Middlesex Energy Services Corporation	Yes	1800293	2002/12/31
Middlesex Power Corporation	Yes	1800267	2002/12/31

Names of associated corporations	Surtax on CCPCs	Corporate Minimum Tax		Capital Tax
	Taxable Income	Total Assets	Total Revenue	Taxable Capital
Middlesex Energy Services Corporation		166,195	77,986	185,120
Middlesex Power Corporation		4,753,049		
Totals	0	4,919,244	77,986	185,120

**Ontario****Ministry of Finance**Corporations Tax Branch  
PO Box 620  
33 King Street West  
Oshawa, ON L1H 8E9**Taxable Capital of Associated Corporations**(Applicable to an associated group that  
has a permanent establishment in Canada)**Schedule CT21**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Middlesex Power Distribution Corporation	1800268	2002/12/31

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

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
Middlesex Energy Services Corporation	1800293	2002/12/31	185,120
Middlesex Power Corporation	1800267	2002/12/31	
Aggregate of taxable capital			185,120

Transfer to 540 of the CT23

**Ontario**

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

# Corporate Minimum Tax - Associated Corporation

Corporation's Legal Name Middlesex Power Distribution Corporation	Ontario Corporations Tax Account No. (MOF) 1800268	Taxation Year End 2002/12/31
--	---	---------------------------------

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
Middlesex Energy Services Corporation	1800293	2002/12/31	166,195	77,986
Middlesex Power Corporation	1800267	2002/12/31	4,753,049	
<b>Totals</b>			4,919,244	77,986

*Transfer to 249  
of the CT23*

*Transfer to 250  
of the CT23*

OConsent

# Ontario Consent Form

This form authorizes the Ontario Ministry of Finance to release confidential client information to a designated third party representative in matters pertaining to applicable legislation. **Note: This authorization is valid until the client or authorized signing person cancels it in writing. Please complete a separate form for each representative.**

The purpose of this form is:

☒ To authorize a third party representative or ☐ To cancel a third party representative

## 1. Client identification

Name

Middlesex Power Distribution Corporation

Ontario Corporations Tax Account Number

1800268

## 2. Authorized third party identification

Authorized individuals' name

Address

Phone number

( ) -

Authorized firm's name

Scrimgeour & Company, CGA

Address

1502-148 Fullarton Street London, Ontario N6A 5P3

Phone number

(519) 672-6811

## 3. Details of authorization

Indicate the period for which authorization or cancellation applies:

All years



OR

Specific years

\_\_\_\_\_

OR

All years prior to

\_\_\_\_\_

## 4. Authorized signature (client or authorized signing officer)

Thomas Enright

Name

(519) 245-2010

Telephone number

2005/04/22

Date signed

Chairman

Position, office or rank

Signature of client or authorized signing officer



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 have not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in 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, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business number (BN) (item 11) 001 86570 1635 RC 0001

Corporation's name (item 12)

002

Middlesex Power Distribution Corporation

Has the corporation changed its name since the last time we were notified? 003 ☐ Yes ☒ No

If yes, do you have a copy of the articles of amendment? 004 ☐ Yes ☐ No

Address of head office (item 13)

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

011 351 Frances Street

012

City

Province, territory, or state

015 Strathroy

016 ON

Country (other than Canada)

Postal code/Zip code

017

018 N7G 2C7

To which taxation year does this return apply? (item 17)

From 060 2002/01/01 to 061 2002/12/31

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 ☐ Yes ☒ No

If yes, provide date control was acquired 065

Is the corporation a professional corporation that is a member of a partnership? (item 18) 067 ☐ Yes ☒ No

Mailing address (if different from head office address) (item 14)

Has the address changed since the last time we were notified?

020 Yes ☐ No ☒

021 C/o

022 351 Frances Street

023

City

Province, territory, or state

025 Strathroy

026 ON

Country (other than Canada)

Postal code/Zip code

027

028 N7G 2C7

Is this the first year of filing after:

Incorporation? (item 19) 070 ☐ Yes ☒ No

Amalgamation? (item 20) 071 ☐ Yes ☒ No

If yes, complete Schedule 24

Has there been a wind-up of a subsidiary under section 88 during the current taxation year? (item 21)

If yes, complete Schedule 24 072 ☐ Yes ☒ No

Is this the final taxation year before amalgamation? (item 22) 076 ☐ Yes ☒ No

Is this the final return up to dissolution? (item 23) 078 ☐ Yes ☒ No

Is the corporation a resident of Canada? (item 24) 080 ☒ Yes ☐ No

If no, give the country of residence. 081

040 Type of corporation at end of taxation year (item 16)

1 ☒ Canadian controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation

2 ☐ Other private corporation 5 ☐ Other corporation (please specify, below)

3 ☐ Public corporation

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

Is the non-resident corporation claiming an exemption under an income tax treaty? (item 24) 082 ☐ Yes ☒ No

If yes, complete Schedule 91

If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)

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

Do not use this area

091	092	093	094	095	096
097					

Guide item		Attachments	Yes	Schedule
27	Is the corporation related to any other corporations?	150	<input checked="" type="checkbox"/>	9
28	Does the corporation have any non-resident shareholders?	151	<input type="checkbox"/>	19
29	Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	<input checked="" type="checkbox"/>	23
30	Is the corporation an associated CCPC that is claiming the expenditure limit?	161	<input type="checkbox"/>	49
32	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	<input type="checkbox"/>	11
33	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	<input type="checkbox"/>	44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	<input type="checkbox"/>	14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	<input type="checkbox"/>	15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166	<input type="checkbox"/>	T5004
38	Is the corporation a member of a partnership for which an identification number has been assigned?	167	<input type="checkbox"/>	T5013
40	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	<input type="checkbox"/>	22
41	Did the corporation have any foreign affiliates during the year?	169	<input type="checkbox"/>	25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170	<input type="checkbox"/>	29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171	<input type="checkbox"/>	T106
47	Has the corporation made payments to, or received amounts from a retirement compensation arrangement?	172	<input type="checkbox"/>	----
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	<input checked="" type="checkbox"/>	50
55	Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201	<input checked="" type="checkbox"/>	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202	<input type="checkbox"/>	2
82,104	Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203	<input type="checkbox"/>	3
69-76	Is the corporation claiming any type of losses?	204	<input type="checkbox"/>	4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	<input type="checkbox"/>	5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206	<input type="checkbox"/>	6
103	(i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (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	<input type="checkbox"/>	7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	<input checked="" type="checkbox"/>	8
58	Does the corporation have any property that is eligible capital property?	210	<input checked="" type="checkbox"/>	10
59	Does the corporation have any resource-related deductions?	212	<input type="checkbox"/>	12
60	Is the corporation claiming reserves of any kind?	213	<input type="checkbox"/>	13
61	Is the corporation claiming a patronage dividend deduction?	216	<input type="checkbox"/>	16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217	<input type="checkbox"/>	17
150	Is the corporation an investment corporation or a mutual fund corporation?	218	<input type="checkbox"/>	18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220	<input type="checkbox"/>	20
118	Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221	<input type="checkbox"/>	21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226	<input type="checkbox"/>	26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227	<input type="checkbox"/>	27
121	Is the corporation claiming an investment tax credit?	231	<input type="checkbox"/>	31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232	<input type="checkbox"/>	T661/T665
124	Is the corporation subject to Part 1.3 tax?	233	<input type="checkbox"/>	33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236	<input type="checkbox"/>	36
124	Is the corporation claiming a surtax credit?	237	<input type="checkbox"/>	37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	<input type="checkbox"/>	38
128	Is the corporation claiming a Part I tax credit?	242	<input type="checkbox"/>	42
129	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	<input type="checkbox"/>	43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	<input type="checkbox"/>	45
125	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249	<input type="checkbox"/>	46
128	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	<input type="checkbox"/>	39
128	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251	<input type="checkbox"/>	40

**Attachments - Continued from page 2****Guide item****Yes Schedule**

128 For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252	<input type="checkbox"/>	41
*52 Is the corporation claiming a Canadian film or video production tax credit refund?	253	<input type="checkbox"/>	T1131
0 Is the corporation subject to Part XIII.1 tax?		<input type="checkbox"/>	92 *
153 Is the corporation claiming a film or video production services tax credit refund?		<input type="checkbox"/>	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		<input type="checkbox"/>	T1134-A
44 Did the corporation have any controlled foreign affiliates?		<input type="checkbox"/>	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000?		<input type="checkbox"/>	T1135
44 Did the corporation transfer or loan property to a non-resident trust?		<input type="checkbox"/>	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		<input type="checkbox"/>	T1142
- Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		<input type="checkbox"/>	T1145
- Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		<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?		<input type="checkbox"/>	T1174

**Additional information**

Is the corporation inactive? (item 48)	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) (item 49)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (item 50)	282		
(Only complete if yes was entered at line 281.)			
If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51)	283	1 Wholesale <input type="checkbox"/>	2 Retail <input checked="" type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)	284 Electricity	285 100.000 %	
	286	287 %	
	288	289 %	
Did the corporation immigrate to Canada during the taxation year? (item 53)	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year? (item 54)	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFL (item 77)	300		0 A
<b>Deduct:</b> Charitable donations from Schedule 2 (item 78)	311		
Gifts to Canada or a province, or a territory from Schedule 2 (item 79)	312		
Cultural gifts from Schedule 2 (item 80)	313		
Ecological gifts from Schedule 2 (item 81)	314		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	320		
Part VI.1 tax deduction from Schedule 43 (item 83)*	325		
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	331		
Net capital losses of preceding taxation years from Schedule 4 (item 85)	332		
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	333		
Farm losses of prior taxation years from Schedule 4 (item 87)	334		
Limited partnership losses of prior years from Schedule 4 (item 88)	335		
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	340		
Prospector's and grubstaker's shares (item 90)	350		
Subtotal			B
Subtotal (amount A minus amount B) (if negative, enter "0")			C
<b>Add:</b> Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)	355		D
<b>Taxable income</b> (amount C plus amount D) (item 92)	360		0
Income exempt under paragraph 149(1)(t) (item 93)	370		
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)			Z

\* If the taxation year ends after December 31, 2002, use "3" instead of "9/4" in the calculation of the Part VI.1 tax deduction indicated in item 83 of the *T2 Corporation Income Tax Guide*.



**Small business deduction****Canadian-controlled private corporations throughout the taxation year**Income from active business carried on in Canada from Schedule 7 (item 95) 400 ATaxable income from line 360 or amount Z on page 3, whichever applies, minus 10/3 of the amount that would be deductible at line 632\*, and 10/4 of line 636\*\* on page 7, and minus any amount that, because of federal law, is exempt from Part I tax (item 96) 405 B**Calculation of the business limit: (item 97)**

for all CCPCs, calculate the amount at line 4 below

\$200,000 x	Number of days in the taxation year before 2003	<u>365</u>	=	<u>200,000</u>	1
	Number of days in the taxation year	<u>365</u>			

\$225,000 x	Number of days in the taxation year in 2003	<u></u>	=	<u></u>	2
	Number of days in the taxation year	<u>365</u>			

\$250,000 x	Number of days in the taxation year in 2004	<u></u>	=	<u></u>	3
	Number of days in the taxation year	<u>365</u>			

Add amounts at line 1, 2, and 3 200,000 4Business limit (see notes 1 and 2 below) 410 100,000 C

**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: (item 98)**

Amount C	<u>100,000</u>	X	<u>415 ***</u>	D	=	<u>11,250</u>	E
----------	----------------	---	----------------	---	---	---------------	---

Reduced business limit (amount C minus amount E) (if negative, enter "0") 425 100,000 FSmall business deduction - 16% of the least of amounts A, B, C, and F 430 0 G

(enter amount G of line 9 on page 7)

**Accelerated tax reduction (item 99)****Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**Reduced business limit (amount from line 425)  x  =  ANet active business income (amount from line 400)\*  BTaxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636\*\* on page 7, and minus any amount that, because of federal law, is exempt from Part I tax (item 96)  C**Deduct:**Aggregate investment income (amount from line 440 of page 6)  DAmount C minus amount D (if negative, enter "0")  EAmount A, B, or E above, whichever is less  FAmount Z from Part 9 of Schedule 27  x 100 / 7 =  GAmount QQ from Part 13 of Schedule 27  HResource allowance (line 346 of Schedule 1)  x 3 =  IAmount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)  JAmount on line 400, 405, 410 or 425, whichever is less  KTotal of amounts G, H, I, J, and K  LAmount F minus amount L (if negative, enter "0")  MAccelerated tax reduction - 7% of amount M  N

(Enter amount N on line 637 of page 7)

\* If 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.

Page 5 of 8

**Refundable portion of Part I tax (item 103)****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 \_\_\_\_\_

**Deduct:**Least of amounts on lines 400, 405, 410, and 425  
on page 4 \_\_\_\_\_

Foreign non-business income tax credit

from line 632 on page 7 x 25/9 = \_\_\_\_\_

Foreign business income tax credit from

line 636 on page 7 x 10/4 = \_\_\_\_\_

\_\_\_\_\_ X 26 2/3% = \_\_\_\_\_ D

Part I tax payable minus investment tax credit refund

(line 700 minus line 780 on page 8) \_\_\_\_\_

**Deduct corporate surtax from line 600 on page 7** \_\_\_\_\_

Net amount \_\_\_\_\_ E

**Refundable portion of Part I tax - the least of amounts C, D, and E** \_\_\_\_\_**450** \_\_\_\_\_ **0** F**Refundable dividend tax on hand (item 104)**Refundable dividend tax on hand at the end of the preceding tax 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 on page 2 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 A plus amount B** \_\_\_\_\_**485** \_\_\_\_\_ **0****Dividend refund (item 105)****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 on page 2 of

Schedule 3 \_\_\_\_\_

X 1/3 \_\_\_\_\_ A

Refundable dividend tax on hand at the end of the taxation year from line 485 above \_\_\_\_\_ B

**Dividend refund - Lesser of amounts A and B (enter this amount on line 784 on page 8)** \_\_\_\_\_**0**

**Part I tax****Base amount of Part I tax** - 38% of taxable income (line 360 or amount Z, whichever applies)  
from page 3 (item 106) 550 0 **A****Corporate surtax calculation (item 107)**Base amount from line A above 1**Deduct:**10% of taxable income (line 360 or amount Z, whichever applies) from page 3 2Investment corporation deduction from line 620 below 3Federal logging tax credit from line 640 below 4Federal qualifying environment trust tax credit from line 648 below 5For a mutual fund corporation or an investment corporation throughout  
the taxation year, enter the least of a, b and c below on line 6:28% of taxable income from line 360 on page 3 a28% of taxed capital gains b 6

Part I tax otherwise payable

(line A plus line C and D minus line F) cTotal of lines 2 to 6 7Net amount (line 1 minus line 7) 8**Corporate surtax** - 4% of the amount on line 8 600  **B**Recapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108) 602  **C****Calculation for the refundable tax on Canadian-controlled private corporation's investment income**  
(for a CCPC throughout the taxation year) (item 109)Aggregate investment income from line 440 on page 6 iTaxable income from line 360 on page 3 **Deduct:**The least of amounts on lines 400, 405, 410, and  
425 on page 4 Net amount ii**Refundable tax on CCPC's investment income** - 6 2/3 % of the lesser of amounts i or ii 604  **D**Subtotal (add lines A, B, C, and D)  **E****Deduct:**Small business deduction from line 430 on page 4 9Federal tax abatement (item 110) 608Manufacturing and processing profits deduction from amount BB  
of Schedule 27 (item 111) 616Investment corporation deduction (item 112) 620(Taxed capital gains 624)Additional deduction - credit unions from Schedule 17 (item 113) 628Federal foreign non-business income tax credit from Schedule 21 (item 114) 632Federal foreign business income tax credit from Schedule 21 (item 115) 636Accelerated tax reduction from amount N of page 4 (item 116) 637General tax reduction for CCPC's from amount O of page 5 (item 117) 638General tax reduction from amount L of page 5 (item 117) 639Federal logging tax credit from Schedule 21 (item 118) 640Federal political contribution tax credit (item 119) 644Federal political contributions 646Federal qualifying environmental trust tax credit (item 120) 648Investment tax credit from Schedule 31 (item 121) 652Subtotal  **F****Part I tax payable** - Line E minus line F (enter amount G on line 700 on page 8) (item 122) 0 **G**

**Summary of tax and credits****Federal tax**

Part I tax payable from page 7 (item 123)	700
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704
Part II surtax tax payable from Schedule 46 (item 125)	708
Part IV tax payable from Schedule 3 (item 126)	712
Part IV.1 tax payable from Schedule 43 (item 127)	716
Part VI tax payable from Schedule 38 (item 128)	720
Part VI.1 tax payable from Schedule 43 (item 129)	724
Part XIII.1 tax payable from Schedule 92 (item 130)	727
Part XIV tax payable from Schedule 20 (item 131)	728

Total federal tax 0

**Add provincial and territorial tax**

Provincial or territorial jurisdiction (item 132) 750 ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 133) 760

Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147) 765

Total tax payable 770 0 A

**Deduct other credits**

Investment tax credit refund from Schedule 31 (items 148)	780
Dividend refund from Page 4 (items 149)	784
Federal capital gains refund from Schedule 18 (item 150)	788
Federal qualifying environmental trust tax credit refund (item 151)	792
Canadian film or video production tax credit refund from Form T1131 (item 152)	796
Film or video production services tax credit refund from Form T1177 (item 153)	797
Tax withheld at source (item 154)	800
Total payments on which tax has been withheld (item 154) 801	
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155)	804
Provincial and territorial capital gains refund from Schedule 18 (item 156)	808
Provincial and territorial refundable tax credits from Schedule 5 (item 157)	812
Royalties deductible under Syncrude Remission Order 815	
Tax remitted under Syncrude Remission Order (item 158)	816
Tax instalments paid (item 159)	840

Total credits 890 B

Refund Code 894 ☐ Overpayment (item 160) (item 163)

Balance (line A minus line B) 0 I

**Direct Deposit Request** (item 164)

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 \_\_\_\_\_ 918 \_\_\_\_\_  
 Institution number 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.

We do not charge or refund a difference of less than \$2.

Balance unpaid (item 163) \_\_\_\_\_

Enclosed payment (item 162) 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 is due? (item 161)

896 1 Yes ☐ 2 No ☒ NA ☐**Certification** (item 165)

950 Enright \_\_\_\_\_ 951 Thomas \_\_\_\_\_ 954 Chairman \_\_\_\_\_  
 Surname First name Position, office or rank  
 955 2005/04/22 \_\_\_\_\_ 956 (519) 245-2010 \_\_\_\_\_  
 Date 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 \_\_\_\_\_ 959 ( ) - \_\_\_\_\_  
 Name Telephone number

**Language of correspondence - Langue de correspondance** (item 166)990 Language of choice/Langue de choix 1 English / Anglais ☒ 2 Français / French ☐

Canada Customs  
and Revenue AgencyAgence des douanes  
et du revenu du Canada**NET INCOME (LOSS) FOR INCOME TAX PURPOSES****Schedule 1**

- 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.

Net income (loss) after taxes and extraordinary items per financial statements			<b>A</b>	<u>(268,938)</u>
<b>Add:</b>				
Amortization of tangible assets	104	504,618		
	Total of fields 101 to 199	500		504,618
			▶	<u>504,618</u>
<b>Deduct:</b>				
Capital cost allowance - Schedule 8	403	235,680		
	Total of fields 401 to 499	510		235,680
			▶	<u>235,680</u>
<b>Net income (loss) for income tax purposes</b> (enter on line 300 of the T2 return)				<u><u></u></u>



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and is the property of the Revenue Agency et du revenu du Canada

# CAPITAL COST ALLOCATION STATEMENT

Schedule 8

Is the corporation electing under regulation 1101(5q)? 101 ☐ Yes ☒ No

1 Class	2 UCC at start of year	3 Cost of additions in the year	4 Net adjustments	5 Proceeds of dispositions in the year	7 Adjustment for additions (1/2 x (col 3 - 5))	8 Base amount for CCA	9 Rate %	10 CCA for the year (col 8 x 9 or a lower amount)	11 Recapture of CCA	12 Terminal loss	13 UCC at the end of the year
200	201	203	205	207	211		212	217	213	215	220
1	5,119,993	234,149			117,075	5,237,067	4	209,483			5,144,659
2	3,062,304					3,062,304	6	26,197			3,036,107
8	85,067	26,323			13,162	98,228	20				111,390
10	176,628	8,320			4,160	180,788	30				184,948
Totals	8,443,992	268,792			134,397	8,578,387		235,680			8,477,104



RELATED AND ASSOCIATED CORPORATIONS

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

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

Name	Country (if not Canada)	Business # (Canadian corporation only)	Code note 1	Common shares		Preferred shares		Book value of capital stock
				# owned	% owned	# owned	% owned	
Middlesex Power Corporation	200	300	400	500	550	600	650	700
Middlesex Energy Services Corporation		88102 2925 RC 0001	1	4,631,198	100.000			4,631,198
		86965 3329 RC 0001	3					
		RC	0					
Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated								



Canada Customs  
and Revenue AgencyAgence des douanes  
et du revenu du Canada**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION****Schedule 10**

- 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 beginning of taxation year (if negative, enter nil) 200 387,839 **A****Add:**

Cost of eligible capital property acquired during the taxation year 222 **B**  
 Transfer from predecessor or subsidiary corporation 224 **C**  
 Other adjustments 226 **D**  
 (add amounts B, C, and D) x 3/4 = **E**  
**Subtotal (amount A plus amount E) 230** 387,839 **F**

**Deduct:**

Proceeds of sale (less outlays and expenses) from the disposition  
 of all eligible capital property during the taxation year 242 **G**  
 The gross amount of a reduction in respect of a forgiven debt  
 obligation as provided for in subsection 80(7) 244 **H**  
 Other adjustments 246 **I**  
 (add amounts G, H, and I) x 3/4 = 248 **J**

**Cumulative eligible capital balance (amount F minus amount J)** 387,839 **K**  
 (if amount K is negative, enter "0" at line M and proceed to Part 2)

**Current year deduction** amount K 387,839  $\times 7\% =$  250 **L**  
 (Deduct amount L on line 405 of Schedule 1)

**Cumulative eligible capital balance at the end of the taxation year** 300 387,839 **M**

**Note:** The maximum current year deduction is 7%. You can claim any amount up to the maximum. If your fiscal period starts after December 21, 2000, and is less than 365 days, prorate the calculation for line 250 by multiplying by the number of days in the year divided by 365.

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

(complete this part only if line K is negative)

Amount from line K above (show as a positive amount)                      **N**Total of cumulative eligible capital deductions from income for  
taxation years beginning after June 30, 1988 400 1Total of all amounts which reduced cumulative eligible capital  
in the current or prior years under subsection 80 (7) 401 2Total of cumulative eligible capital deductions claimed  
for taxation years beginning before July 1, 1988 402 3Negative balances in the cumulative eligible  
capital account that were included in income for taxation  
years beginning before July 1, 1988 408 4Line 3 minus line 4                      5Total of lines 1, 2, and 5                      6Line T from schedule 10 of previous taxation years ending after February 27, 2000 409 7Line 6 minus line 7                      **O**Line N minus line O (cannot be negative)                      **P**Amount on line 5 X 1/2                      **Q**Line P minus line Q                      **R**Amount on line R X 66.6667 \*                      **S**Lessor of line N or line O                      **T****Amount to be included in income on line 108 of schedule 1, line S plus line T** 410

\* For taxation years ending after February 27, and before October 18, 2000, use the fraction 8/9 to calculate line S

\* For taxation years ending after October 17, 2000 use the fraction 2/3 to calculate line S

**SHAREHOLDER INFORMATION****Schedule 50**

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 100	Business Number * 200	Social Insurance Number * 300	Percentage common shares 400	Percentage preferred shares 500
Middlesex Power Corporation	88102 2925 RC 0001		100.000	
	RC			

\* If the shareholder is a trust, enter NR at field 200 or NA at field 300.

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2002-12-31

For agency use

[ 055 ]

[ 001 ] 86570 1635 RC 0001

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[ 002 ] Middlesex Power Distribution Corporation - Federal Return Only

[ 003 ] 2

[ 004 ] \_\_\_\_\_

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[ 010 ] @ 2

[ 011 ] \_\_\_\_\_

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For agency use

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For agency use

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NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2002-12-31

[ 031 ] @ 351 Fances Street

[ 032 ] \_\_\_\_\_

[ 035 ] Strathroy

[ 036 ] ON

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[ 038 ] N7G 2C7

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[ 040 ]	1	[ 166 ]	_____	[ 220 ]	_____
[ 043 ]	_____	[ 167 ]	_____	[ 221 ]	_____
[ 063 ]	2	[ 168 ]	_____	[ 226 ]	_____
[ 065 ]	_____	[ 169 ]	_____	[ 227 ]	_____
[ 067 ]	2	[ 170 ]	_____	[ 231 ]	_____
[ 070 ]	2	[ 171 ]	_____	[ 232 ]	_____
[ 071 ]	2	[ 172 ]	_____	[ 233 ]	_____
[ 072 ]	2	[ 173 ]	1	[ 236 ]	_____
[ 076 ]	2	[ 201 ]	1	[ 237 ]	_____
[ 078 ]	2	[ 202 ]	_____	[ 238 ]	_____
[ 080 ]	1	[ 203 ]	_____	[ 242 ]	_____
[ 081 ]	_____	[ 204 ]	_____	[ 243 ]	_____
[ 082 ]	2	[ 205 ]	_____	[ 244 ]	_____
[ 085 ]	4	[ 206 ]	_____	[ 249 ]	_____
[ 150 ]	1	[ 207 ]	_____	[ 250 ]	_____
[ 151 ]	_____	[ 208 ]	_____	[ 251 ]	_____
[ 160 ]	1	[ 210 ]	_____	[ 252 ]	_____
[ 161 ]	_____	[ 212 ]	_____	[ 253 ]	_____
[ 162 ]	_____	[ 213 ]	_____	[ 291 ]	2
[ 163 ]	_____	[ 216 ]	_____	[ 292 ]	2
[ 164 ]	_____	[ 217 ]	_____	[ 370 ]	_____
[ 165 ]	_____	[ 218 ]	_____	[ 435 ]	_____

## NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2002-12-31

[ 438 ]	_____	[ 957 ]	1
[ 624 ]	_____	[ 958 ]	_____
[ 646 ]	_____	[ 959 ]	_____
[ 750 ]	ON		XXXXXXXXXXXXX
[ 801 ]	_____		
[ 815 ]	_____		
[ 894 ]	_____		
[ 896 ]	2		
[ 898 ]	_____		
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[ 914 ]	_____		
[ 918 ]	_____		
[ 990 ]	1		
	XXXXXXXXXXXXX		
[ 280 ]	2		
[ 281 ]	2		
[ 282 ]	_____		
[ 283 ]	2		
[ 284 ]	Electricity		
[ 286 ]	_____		
[ 288 ]	_____		
[ 285 ]	100		
[ 287 ]	_____		
[ 289 ]	_____		
[ 950 ]	Enright		
[ 951 ]	Thomas		
[ 954 ]	Chairman		
[ 955 ]	2005 04 25		
[ 956 ]	519 245 2010		

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2002-12-31

[ 300 ]	0	[ 440 ]	_____	[ 652 ]	_____
[ 311 ]	_____	[ 445 ]	_____	[ 700 ]	_____
[ 312 ]	_____	[ 450 ]	_____		XXXXXXXXXXXXX
[ 313 ]	_____	[ 600 ]	_____		
[ 314 ]	_____	[ 632 ]	_____	[ 704 ]	_____
[ 320 ]	_____	[ 636 ]	_____	[ 708 ]	_____
[ 325 ]	_____	[ 780 ]	_____	[ 716 ]	_____
[ 331 ]	_____		XXXXXXXXXXXXX	[ 720 ]	_____
[ 332 ]	_____			[ 724 ]	_____
[ 333 ]	_____	[ 460 ]	_____	[ 727 ]	_____
[ 334 ]	_____	[ 465 ]	_____	[ 728 ]	_____
[ 335 ]	_____	[ 480 ]	_____	[ 760 ]	_____
[ 340 ]	_____	[ 485 ]	_____	[ 765 ]	_____
[ 350 ]	_____	[ 712 ]	_____	[ 770 ]	_____
[ 355 ]	_____		XXXXXXXXXXXXX		XXXXXXXXXXXXX
[ 360 ]	_____				
	XXXXXXXXXXXXX	[ 550 ]	_____	[ 784 ]	_____
		[ 602 ]	_____	[ 788 ]	_____
[ 400 ]	_____	[ 604 ]	_____	[ 792 ]	_____
[ 405 ]	_____	[ 608 ]	_____	[ 796 ]	_____
[ 410 ]	100 000	[ 616 ]	_____	[ 797 ]	_____
[ 425 ]	100 000	[ 620 ]	_____	[ 800 ]	_____
[ 430 ]	_____	[ 628 ]	_____	[ 804 ]	_____
	XXXXXXXXXXXXX	[ 637 ]	_____	[ 808 ]	_____
		[ 638 ]	_____	[ 812 ]	_____
[ 415 ]	_____	[ 639 ]	_____	[ 816 ]	_____
	XXXXXXXXXXXXX	[ 640 ]	_____	[ 840 ]	_____
		[ 644 ]	_____	[ 890 ]	_____
		[ 648 ]	_____		XXXXXXXXXXXXX

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2002-12-31

**Certification**

I, Thomas Enright, am an authorized signing officer of the corporation.

I certify that the following amounts are, to the best of my knowledge, correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return for the taxation year noted above.

Net income or (loss) for income tax purposes from

Schedule 001, or GIF1 [line 200300]	0
Part I tax payable [line 200700]	0
Part I.3 tax payable [line 200704]	0
Part II surtax payable [line 200708]	0
Part IV tax payable [line 200712]	0
Part IV.1 tax payable [line 200716]	0
Part VI tax payable [line 200720]	0
Part VI.1 tax payable [line 200724]	0
Part XIV tax payable [line 200728]	0
Net provincial and territorial tax payable [line 200760]	0
Provincial tax on large corporations [line 200765]	0

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.

2005/04/25

Date

\_\_\_\_\_  
Signature of an authorized signing officer of the  
corporation

Chairman

\_\_\_\_\_  
Position, office or  
rank

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2002-12-31

[ 600 ] \_\_\_\_\_  
[ 601 ] \_\_\_\_\_  
[ 602 ] \_\_\_\_\_  
[ 603 ] \_\_\_\_\_  
[ 604 ] \_\_\_\_\_  
[ 700 ] 149(1)(d.6) adjustment  
[ 701 ] \_\_\_\_\_  
[ 702 ] \_\_\_\_\_  
[ 703 ] \_\_\_\_\_  
[ 704 ] \_\_\_\_\_

XXXXXXXXXXXXX

[ 101 ]	_____	[ 118 ]	_____	[ 204 ]	_____
[ 102 ]	_____	[ 119 ]	_____	[ 205 ]	_____
[ 103 ]	_____	[ 120 ]	_____	[ 206 ]	_____
[ 104 ]	504 618	[ 121 ]	_____	[ 207 ]	_____
[ 105 ]	_____	[ 122 ]	_____	[ 208 ]	_____
[ 106 ]	_____	[ 123 ]	_____	[ 209 ]	_____
[ 107 ]	_____	[ 124 ]	_____	[ 210 ]	_____
[ 108 ]	_____	[ 125 ]	_____	[ 211 ]	_____
[ 109 ]	_____	[ 126 ]	_____	[ 212 ]	_____
[ 110 ]	_____	[ 127 ]	_____	[ 213 ]	_____
[ 111 ]	_____	[ 199 ]	_____	[ 214 ]	_____
[ 112 ]	_____	[ 500 ]	504 618	[ 215 ]	_____
[ 113 ]	_____		XXXXXXXXXXXXX	[ 216 ]	_____
[ 114 ]	_____			[ 217 ]	_____
[ 115 ]	_____	[ 201 ]	_____	[ 218 ]	_____
[ 116 ]	_____	[ 202 ]	_____	[ 219 ]	_____
[ 117 ]	_____	[ 203 ]	_____	[ 220 ]	_____



NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2002-12-31

[ 221 ]	_____	[ 300 ]	_____	[ 401 ]	_____
[ 222 ]	_____	[ 301 ]	_____	[ 402 ]	_____
[ 223 ]	_____	[ 302 ]	_____	[ 403 ]	_____
[ 224 ]	_____	[ 303 ]	_____	[ 404 ]	_____
[ 225 ]	_____	[ 304 ]	_____	[ 405 ]	_____
[ 226 ]	_____	[ 305 ]	_____	[ 406 ]	_____
[ 227 ]	_____	[ 306 ]	_____	[ 407 ]	_____
[ 228 ]	_____	[ 307 ]	_____	[ 408 ]	_____
[ 229 ]	_____	[ 308 ]	_____	[ 409 ]	_____
[ 230 ]	_____	[ 309 ]	_____	[ 410 ]	_____
[ 231 ]	_____	[ 310 ]	_____	[ 411 ]	_____
[ 232 ]	_____	[ 311 ]	_____	[ 413 ]	_____
[ 233 ]	_____	[ 312 ]	_____	[ 414 ]	_____
[ 234 ]	_____	[ 313 ]	_____	[ 416 ]	_____
[ 235 ]	_____	[ 314 ]	_____	[ 417 ]	_____
[ 236 ]	_____	[ 315 ]	_____	[ 499 ]	235 680
[ 237 ]	_____	[ 316 ]	_____	[ 510 ]	235 680
[ 238 ]	_____	[ 340 ]	_____		XXXXXXXXXXXXX
[ 290 ]	_____	[ 341 ]	_____		
[ 291 ]	_____	[ 342 ]	_____		
[ 292 ]	_____	[ 343 ]	_____		
[ 293 ]	_____	[ 344 ]	_____		
[ 294 ]	_____	[ 345 ]	_____		
	XXXXXXXXXXXXX	[ 346 ]	_____		
		[ 390 ]	235 680		
		[ 391 ]	_____		
		[ 392 ]	_____		
		[ 393 ]	_____		
		[ 394 ]	_____		
			XXXXXXXXXXXXX		

## NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2002-12-31

[ 300 ]    1. 88102 2925 RC 0001  
          2. 86965 3329 RC 0001    \*

[ 400 ]    1. 1  
          2. 3    \*  
          XXXXXXXXXXXX

[ 100 ]    1. Middlesex Power Corporation  
          2. Middlesex Energy Services Corporation    \*

[ 200 ]    1. \_\_\_\_\_  
          2. \_\_\_\_\_    \*

[ 500 ]    1. 4 631 198  
          2. \_\_\_\_\_    \*

[ 550 ]    1. 100  
          2. \_\_\_\_\_    \*

[ 600 ]    1. \_\_\_\_\_  
          2. \_\_\_\_\_    \*

[ 650 ]    1. \_\_\_\_\_  
          2. \_\_\_\_\_    \*

[ 700 ]    1. 4 631 198  
          2. \_\_\_\_\_    \*  
          XXXXXXXXXXXX

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2002-12-31

[ 025 ] \_\_\_\_\_

[ 050 ] 2002

[ 075 ] 2

[ 200 ] 1. 86570 1635 RC 0001

2. 86965 3329 RC 0001

3. 88102 2925 RC 0001 \*

[ 300 ] 1. 1

2. 1

3. 1 \*

[ 500 ] 1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_ \*

XXXXXXXXXXXXX

[ 400 ] 1. 100 000

2. 100 000

3. \_\_\_\_\_ \*

XXXXXXXXXXXXX

[ 100 ] 1. Middlesex Power Distribution Corporation - Federal Return Only

2. Middlesex Energy Services Corporation

3. Middlesex Power Corporation \*

XXXXXXXXXXXXX

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2002-12-31

[ 100 ] 1. Middlesex Power Corporation \*

[ 200 ] 1. 88102 2925 RC 0001 \*

[ 300 ] 1. \_\_\_\_\_ \*

[ 400 ] 1. 100 \*

[ 500 ] 1. \_\_\_\_\_ \*

XXXXXXXXXXXXX

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2002-12-31

[ 3640 ]	11 502 953	[ 3849 ]	# 1 150 042
	XXXXXXXXXXXX		XXXXXXXXXXXX
[ 1000 ]	_____		
[ 1060 ]	1 185 381		
[ 1120 ]	377 499		
[ 1125 ]	1 133 478		
[ 1480 ]	438 682		
[ 1484 ]	38 328		
[ 1682 ]	9 389 667		
[ 1683 ]	# 1 060 082		
[ 2599 ]	11 502 953		
	XXXXXXXXXXXX		
[ 2600 ]	168 417		
[ 2620 ]	2 105 687		
[ 2627 ]	135 229		
[ 2701 ]	340 308		
[ 2961 ]	241 359		
[ 3140 ]	440 750		
[ 3152 ]	4 356 925		
[ 3300 ]	233 122		
[ 3499 ]	8 021 797		
	XXXXXXXXXXXX		
[ 3500 ]	4 631 198		
[ 3600 ]	# 1 150 042		
[ 3620 ]	3 481 156		
	XXXXXXXXXXXX		
[ 3660 ]	# 881 104		
[ 3680 ]	# 268 938		

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2002-12-31

[ 0001 ] \_\_\_\_\_

[ 0002 ] \_\_\_\_\_

XXXXXXXXXXXXX

[ 0003 ] \_\_\_\_\_

XXXXXXXXXXXXX

[ 8519 ] 1 759 488

[ 8740 ] 342 321

[ 9369 ] # 268 938

[ 8960 ] 333 921

[ 9899 ] \_\_\_\_\_

[ 9270 ] 107 524

[ 9970 ] # 268 938

[ 9284 ] 533 206

[ 9975 ] \_\_\_\_\_

[ 9367 ] 2 220 260

[ 9976 ] \_\_\_\_\_

[ 9368 ] 15 636 005

[ 9980 ] \_\_\_\_\_

XXXXXXXXXXXXX

[ 9985 ] \_\_\_\_\_

[ 9990 ] \_\_\_\_\_

[ 9370 ] \_\_\_\_\_

[ 9995 ] \_\_\_\_\_

[ 9659 ] 0

[ 9999 ] # 268 938

XXXXXXXXXXXXX

XXXXXXXXXXXXX

[ 9660 ] \_\_\_\_\_

[ 8000 ] 15 175 233

[ 9898 ] 0

[ 8089 ] 15 175 233

XXXXXXXXXXXXX

[ 8094 ] 191 834

[ 8299 ] 15 367 067

XXXXXXXXXXXXX

[ 8300 ] \_\_\_\_\_

[ 8320 ] 13 415 745

[ 8518 ] 13 415 745

[ 8670 ] 504 618

[ 8717 ] 398 670

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2002-12-31

[ 096 ] 1

[ 097 ] 2

[ 098 ] 1

[ 099 ] 2

[ 101 ] 1

[ 102 ] 2

[ 103 ] 2

[ 104 ] 2

[ 105 ] 2

[ 106 ] 1

[ 107 ] 1

[ 108 ] 2

[ 109 ]

XXXXXXXXXXXXX



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

Account No.  
**1800268**

**35**  
PX5003

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
C/O THOMAS ENRIGHT  
351 FRANCES ST

**STRATHROY ON**  
N7G 2C7

## Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998  
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD) **20021231**

Payment Amount: \$ **5,725.35**

Taxation Year End: (YYYYMMDD) **20021231**

Payment Amount: \$ **5,725.35**

Total Payment Enclosed: \$ **5,725.35**



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 2002/01/01 to 2002/12/31

**MIDDLESEX POWER DISTRIBUTION CORPORATION**

**ASSESSMENT NO. 8**

Account No.	Assessment Date (year, month, day)	Page
<b>1800268</b>	<b>2005/07/18</b>	<b>2 of 4</b>

Tax: Federal and Provincial PIL  
Penalty - Late Filing  
Assessment Interest  
Total Assessment Liability

**12,699.00**  
**2,316.85**  
**3,396.44**  
**18,412.29**

### SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

**12,699.00CR**

Sub-Total

**TAXATION YEAR BALANCE DUE \*\***

**12,699.00CR**  
**5,713.29**

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.

Interest  
to  
July 29

**12.06**  
**5725.35**

Total tax assessed as per company estimate

\*\*Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC). The current interest rate is 0.0191780%.

#### Tax (Re)Assessment Enquiries:

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

#### Account Billing Enquiries & Change of Address Information:

- Oshawa and Local (905) 433-8708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197



**Attachment 14**  
**2003 Revised SIMPIL Model**

## Disposition of Balance Recorded in Account 1562 Deferred PILs

Distributor	Middlesex Power Distribution Corp. - Middlesex
OEB File Number	EB-2012-0098
Filing Year	2003

	A	B	C	D	E
1	<b>PILs TAXES</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	Utility Name: Middlesex Power Distribution Corp. - Middlesex			Colour Code	
4	Reporting period: 2003			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?	Y/N		Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?	Y/N		N	
16					
17	Is the utility a non-profit corporation?	Y/N		N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT Y/N		N	
20		LCT Y/N		N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		100%	
22		LCT		100%	
23					
24	Accounting Year End	Date		31-Dec-03	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			10,288,429	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			881,204	
42					
43	1999 return from RUD Sheet #7			18,430	18,430
44					
45	Total Incremental revenue			862,774	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			287,591	287,591
48	Amount allowed in 2002			287,591	287,591
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	<b>Total Regulatory Income</b>				593,612
55					
56	Equity			5,144,215	
57					
58	Return at target ROE			508,248	
59					
60	Debt			5,144,215	
61					
62	Deemed interest amount in 100% of MARR			372,956	
63					
64	Phase-in of interest - Year 1 (2001)			129,519	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			251,237	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			251,237	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			372,956	
71					
72					

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	ITEM	Initial		M of F	M of F	Tax	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		Estimate		Filing	Filing	Returns	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Middlesex Power Distribution Corp. - Middlesex							
7	Reporting period: 2003							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12							TAXREC	
13			\$		\$		\$	
14	<b>I) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	593,612		-554,198		39,414	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	457,151		17,390		474,541	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>		4,291		-4,291		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	402,922		-197,577		205,345	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	251,237		57,373		308,610	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		400,895		(400,895)	Before loss C/F	0	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		-15.5000%		18.62%	
54								
55	<b>REGULATORY INCOME TAX</b>		136,785		-136,785	Actual	0	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		136,785		-136,785	Actual	0	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	10,288,429		-1,378,646		8,909,783	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-133,380		4,866,620	
68	Taxable Capital		5,288,429		-1,512,026		4,043,163	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		15,865		-3,736	Overpaid	12,129	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	10,288,429		-10,288,429			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		288,429		-10,288,429		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)	21	649		-649		0	
82	Less: Federal Surtax 1.12% x Taxable Income		4,490		-4,490		0	
83								
84	Net LCT		0		3,841		0	
85								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial Estimate</b>		<b>M of F Filing Variance K-C</b>	<b>M of F Filing Variance Explanation</b>	<b>Tax Returns</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>							
3	<b>TAX CALCULATIONS (TAXCALC)</b>							
4	("Wires-only" business - see Tab TAXREC)							
5		0					Version 2009.1	
6	Utility Name: Middlesex Power Distribution Corp. - Middlesex							
7	Reporting period: 2003							
8								
9	Days in reporting period:	365	days				Column Brought From TAXREC	
10	Total days in the calendar year:	365	days					
11								
12			\$		\$		\$	
13								
14								
15	<b>III) INCLUSION IN RATES</b>							
16								
17								
18	Income Tax Rate used for gross- up (exclude surtax)		33.00%					
19								
20	Income Tax (proxy tax is grossed-up)	22	204,157			Actual 2003	0	
21	LCT (proxy tax is grossed-up)	23	0			Actual 2003	0	
22	Ontario Capital Tax (no gross-up since it is deductible)	24	15,865			Actual 2003	12,129	
23								
24								
25	<b>Total PILs for Rate Adjustment -- MUST AGREE WITH 2002 RAM DECISION</b>	25	220,022			Actual 2003	12,129	
26								
27								
28								
29	<b>IV) FUTURE TRUE-UPS</b>							
30	<b>IV a) Calculation of the True-up Variance</b>				DR/(CR)			
31	<b>In Additions:</b>							
32	Employee Benefit Plans - Accrued, Not Paid	3			0			
33	Tax reserves deducted in prior year	4			0			
34	Reserves from financial statements-end of year	4			0			
35	Regulatory Adjustments	5			0			
36	Other additions "Material" Items TAXREC	6			0			
37	Other additions "Material" Items TAXREC 2	6			0			
38	<b>In Deductions - positive numbers</b>							
39	Employee Benefit Plans - Paid Amounts	8			0			
40	Items Capitalized for Regulatory Purposes	9			0			
41	Regulatory Adjustments	10			0			
42	Interest Adjustment for tax purposes (See Below - cell I204)	11			0			
43	Tax reserves claimed in current year	4			0			
44	Reserves from F/S beginning of year	4			0			
45	Contributions to deferred income plans	3			0			
46	Contributions to pension plans	3			0			
47	Other deductions "Material" Items TAXREC	12			0			
48	Other deductions "Material" Item TAXREC 2	12			0			
49								
50	Total TRUE-UPS before tax effect	26			= 0			
51								
52	Income Tax Rate (including surtax) from 2003 Utility's tax return				x 18.62%			
53								
54	Income Tax Effect on True-up adjustments				= 0			
55								
56	Less: Miscellaneous Tax Credits	14			0			
57								
58	Total Income Tax on True-ups				0			
59								
60	Income Tax Rate used for gross-up (exclude surtax)				17.50%			
61								
62	<b>TRUE-UP VARIANCE ADJUSTMENT</b>				0			
63								
64	<b>IV b) Calculation of the Deferral Account Variance caused by changes in legislation</b>							
65								
66	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)				= 400,895			
67								
68	REVISED CORPORATE INCOME TAX RATE (including Surtax)				x 18.62%			
69								
70	REVISED REGULATORY INCOME TAX				= 74,647			
71								
72	Less: Revised Miscellaneous Tax Credits				- 0			
73								
74	Total Revised Regulatory Income Tax				= 74,647			
75								
76	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)				- 136,785			
77								
78	Regulatory Income Tax Variance				= (62,139)			
79								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES</b>	<b>ITEM</b>	<b>Initial Estimate</b>		<b>M of F Filing Variance K-C</b>	<b>M of F Filing Variance Explanation</b>	<b>Tax Returns</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>							
3	<b>TAX CALCULATIONS (TAXCALC)</b>							
4	("Wires-only" business - see Tab TAXREC)							
5		0					Version 2009.1	
6	Utility Name: Middlesex Power Distribution Corp. - Middlesex							
7	Reporting period: 2003							
8								
9	Days in reporting period:	365	days				Column Brought From TAXREC	
10	Total days in the calendar year:	365	days					
11								
12			\$		\$		\$	
13								
150	<b>Ontario Capital Tax</b>							
151	Base				=	10,288,429		
152	Less: Exemption from tab Tax Rates, Table 2, cell C39				-	5,000,000		
153	Revised deemed taxable capital				=	5,288,429		
154								
155	Rate - Tab Tax Rates cell C54				x	0.3000%		
156								
157	Revised Ontario Capital Tax				=	15,865		
	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)				-	15,865		
158					=	0		
159	Regulatory Ontario Capital Tax Variance							
160								
161	<b>Federal LCT</b>							
162	Base				=	10,288,429		
163	Less: Exemption from tab Tax Rates, Table 2, cell C40				-	10,000,000		
164	Revised Federal LCT				=	288,429		
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51					0.2250%		
167								
168	Gross Amount					649		
169	Less: Federal surtax				-	4,490		
170	Revised Net LCT				=	0		
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)				-	0		
173	Regulatory Federal LCT Variance				=	0		
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)					17.50%		
176								
177	<b>Income Tax (grossed-up)</b>				+	(75,320)		
178	<b>LCT (grossed-up)</b>				+	0		
179	<b>Ontario Capital Tax</b>				+	0		
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>				=	(75,320)		
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>				+	0		
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>				=	(75,320)		
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)					372,956		
194	Interest phased-in (Cell C36)					251,237		
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision					121,719		
197								
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)</b>							
200	Interest deducted on MoF filing (Cell K36+K41)					308,610		
201	Total deemed interest (REGINFO CELL D61)					372,956		
202								
203								
204	Variance caused by excess debt					0		
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>					0		
207								
208	<b>Total Interest Variance</b>					121,719		
209								
210								

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4			<b>Return</b>			
5		0				Version 2009.1
6	<b>Section A: Identification:</b>					
7	Utility Name: Middlesex Power Distribution Corp. - Middlesex					
8	Reporting period: 2003					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		0	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+	11,173,701		11,173,701	
32	Distribution Revenue	+	1,798,908		1,798,908	
33	Other Income	+	231,948		231,948	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	11,173,701		11,173,701	
40	Administration	-	540,622		540,622	
41	Customer billing and collecting	-	515,862		515,862	
42	Operations and maintenance	-	460,417		460,417	
43	Amortization	-	474,541		474,541	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	<b>Net Income Before Interest &amp; Income Taxes EBIT</b>	=	39,414	0	39,414	
51	Less: Interest expense for accounting purposes	-	308,610		308,610	
52	Provision for payments in lieu of income taxes	-			0	
53	<b>Net Income (loss)</b>	=	-269,196	0	-269,196	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	0	0	0	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	474,541	0	474,541	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	<b>Items on which true-up does not apply "TAXREC 3"</b>		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		474,541	0	474,541	
71						
72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4			<b>Return</b>			
5		0			Version 2009.1	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	474,541	0	474,541	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	205,345		205,345	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	Items on which true-up does not apply "TAXREC 3"		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	205,345	0	205,345	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118		-			0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	205,345	0	205,345	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	0	0	0	
135	DEDUCT:					
136	Non-capital loss applied	-			0	
137	Net capital loss applied	-			0	
138					0	
139	NET TAXABLE INCOME	=	0	0	0	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+			0	



	A	B	C	D	E	F
1	<b>PILs TAXES</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4		0	<b>Return</b>			
5					<b>Version 2009.1</b>	
143	Net Ontario Income Tax (Must agree with tax return)	+			0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	<b>Total Income Tax</b>	=	0	0	0	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	Divide Ontario
151	Blended Income Tax Rate		0.00%	*****	0.00%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	12,129		12,129	
158	Federal Large Corporations Tax	+			0	
159						
160	<b>Total income and capital taxes</b>	=	12,129	0	12,129	
161						
162						

	A	B	C	D	E	F
1	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5		0			Version 2009.1	
6						
7	<b>Utility Name: Middlesex Power Distribution Corp. - Middlesex</b>					
8	<b>Reporting period: 2003</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe				0	
49	Other - Please describe				0	
50					0	
51	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
52						
53	<b>End of Year:</b>					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
65						
66						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Middlesex Power Distribution Corp. - Middlesex</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+				0
18	Gain on sale of eligible capital property	+				0
19	Loss on disposal of assets	+				0
20	Charitable donations (Only if it benefits ratepayers)	+				0
21	Taxable capital gains	+				0
22		+				0
23	Scientific research expenditures deducted	+				0
24	per financial statements	+				0
25	Capitalized interest	+				0
26	Soft costs on construction and renovation of buildings	+				0
27	Capital items expensed	+				0
28	Debt issue expense	+				0
29	Financing fees deducted in books	+				0
30	Gain on settlement of debt	+				0
31	Interest paid on income debentures	+				0
32	Recapture of SR&ED expenditures	+				0
33	Share issue expense	+				0
34	Write down of capital property	+				0
35	Amounts received in respect of qualifying environment trust	+				0
36	Provision for bad debts	+				0
37		+				0
38		+				0
39		+				0
40	Other Additions: (please explain in detail the nature of the item)	+				0
41		+				0
42		+				0
43		+				0
44		+				0
45		+				0
46	Total Additions	=	0	0		0
47						
48	<b>Recap of Material Additions:</b>					
49			0	0		0
50			0	0		0
51			0	0		0
52			0	0		0
53			0	0		0
54			0	0		0
55			0	0		0
56			0	0		0
57			0	0		0
58			0	0		0
59			0	0		0
60			0	0		0
61			0	0		0
62			0	0		0
63			0	0		0
64			0	0		0
65			0	0		0
66			0	0		0
67			0	0		0
68			0	0		0
69			0	0		0
70			0	0		0
71			0	0		0
72			0	0		0
73			0	0		0
74			0	0		0
75			0	0		0

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				Version 2009.1	
7						
8	<b>Utility Name: Middlesex Power Distribution Corp. - Middlesex</b>					
9	<b>Reporting period: 2003</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-			0	
93		-			0	
94		-			0	
95	Other deductions: (Please explain in detail the nature of the item)	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						
123						
124						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	Wires-only	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return			
8	Utility Name: Middlesex Power Distribution Corp. - Middlesex				Version 2009.1	
9						
10						
11	Reporting period: 2003					
12	Number of days in taxation year:		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>	+			0	
36	Interest and penalties on unpaid taxes	+			0	
37	Management bonuses unpaid after 180 days of year end	+			0	
38	Imputed interest expense on Regulatory Assets	+			0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7		0	Return			
8	Utility Name: Middlesex Power Distribution Corp. - Middlesex				<b>Version 2009.1</b>	
9						
10						
11	Reporting period: 2003					
12	Number of days in taxation year:			365		
13						
69		-				0
70		-				0
71		-				0
72		-				0
73	<b>Total Deductions on which true-up does not apply</b>	=	0	0		0
74						

	A	B	C	D	E	F	G
1	PILs TAXES						
2	Corporate Tax Rates			Version 2009.1			
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: Middlesex Power Distribution Corp. - Middlesex						
5	Reporting period: 2003						
6							
7	Table 1						
8	Rates Used in 2002 RAM PILs Applications for 2002						
9	Income Range		0		200,001		
10	RAM 2002		to		to		>700,000
11		Year	200,000		700,000		
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%		26.12%
15	and Ontario blended		6.00%		6.00%		12.50%
16	Blended rate		19.12%		34.12%		38.62%
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing						
24							
25	Table 2						
26	Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003						
27	Income Range		0	250,001	400,001		
28	Expected Rates		to	to	to		>1128000
29		Year	250,000	400,000	1,128,000		
30	Income Tax Rate						
31	Current year	2003					
32	Federal (Includes surtax)		13.12%	22.12%	22.12%		24.12%
33	Ontario		5.50%	5.50%	9.75%		12.50%
34	Blended rate		18.62%	27.62%	31.87%		36.62%
35							
36	Capital Tax Rate		0.300%				
37	LCT rate		0.225%				
38	Surtax		1.12%				
39	Ontario Capital Tax Exemption *** 2003	MAX \$5MM	5,000,000				
40	Federal Large Corporations Tax Exemption *** 2003	MAX \$10MM	10,000,000				
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.						
42							
43	Table 3						
44	Input Information from Utility's Actual 2003 Tax Returns						
45	Income Range		0	250,001	400,001		
46			to	to	to		>1128000
47		Year	250,000	400,000	1,128,000		
48	Income Tax Rate						
49	Current year	2003					
50	Federal (Includes surtax)		13.12%	22.12%	22.12%		24.12%
51	Ontario		5.50%	5.50%	9.75%		12.50%
52	Blended rate		18.62%	27.62%	31.87%		36.62%
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.225%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5.0MM	4,866,620				
58	Federal Large Corporations Tax Exemption *	MAX \$10MM	10,000,000				
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36						
60							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Middlesex Power Distribution Corp. - Middlesex													Version 2009.1	
4	Reporting period: 2003													0	
5															
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		-75,320		-75,320		-75,320		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-													0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
16	True-up Variance Adjustment (3)	+/-					0								0
18	Deferral Account Variance Adjustment Q4, 2001 (4)	+/-													0
20	Deferral Account Variance Adjustment (5)	+/-					-75,320								-75,320
22	Adjustments to reported prior years' variances (6)	+/-													0
23	Carrying charges (7)	+/-													0
25	PILs billed to (collected from) customers (8)	-	0												0
26															
27	Ending balance: # 1562		0		0		-75,320		-75,320		-75,320		-75,320		-75,320
28															
29															
30															
31	Uncollected PILs														
32															
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
45	(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.														
46															
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
48	true-up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
54	true-up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
64	components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														
81															



**Attachment 15**  
**2003 Financial Statements**

**MIDDLESEX POWER**  
**DISTRIBUTION CORPORATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2003**

CHRISTENE A. SCRIMGEOUR

C H A R T E R E D A C C O U N T A N T

AUDITOR'S REPORT

To the Shareholder and Board of Directors:

I have audited the balance sheet of the Middlesex Power Distribution Corporation as at December 31, 2003 and the statements of operations, equity and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Middlesex Power Distribution Corporation as at December 31, 2003 and the results of its operations and changes in financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

May 18, 2004  
London, Canada

*Christene Scrimgeour*  
CHARTERED ACCOUNTANT

**MIDDLESEX POWER DISTRIBUTION CORPORATION****BALANCE SHEET****DECEMBER 31, 2003**

(with comparative figures as at December 31, 2002)

	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
Current		
Accounts receivable	\$ 1,047,073	\$ 1,185,344
Due from Township of Strathroy-Caradoc - Water Department	215,930	
Unbilled revenue	1,282,047	1,133,478
Inventory	352,471	377,499
Prepaid expenses	57,649	38,328
	<u>2,955,170</u>	<u>2,734,649</u>
Capital - at cost		
Distribution plant	7,530,983	7,335,867
General plant	2,075,667	2,053,800
	<u>9,606,650</u>	<u>9,389,667</u>
Less accumulated amortization	<u>1,534,623</u>	<u>1,060,082</u>
	<u>8,072,027</u>	<u>8,329,585</u>
Other assets		
Deferred assets (note 2)	545,168	438,682
	<u>545,168</u>	<u>438,682</u>
Total assets	<u>\$ 11,572,365</u>	<u>\$ 11,502,916</u>
<b>LIABILITIES AND EQUITY</b>		
Current		
Bank overdraft (note 11)	\$ 112,840	\$ 168,417
Bank loan (note 5)	298,208	340,308
Accounts payable and accrued liabilities	2,545,663	2,105,649
Due to Township of Strathroy-Caradoc - Water Department		152,685
Due to Middlesex Energy Services Corporation	156,907	80,438
Customers' deposits	88,000	80,000
	<u>3,201,618</u>	<u>2,927,497</u>
Long term		
Long-term debt (note 6)	353,625	440,750
Promissory notes payable (note 7)	4,356,925	4,356,925
Employee future benefits (note 10)	214,778	135,229
Customers' deposits	233,459	161,359
	<u>5,158,787</u>	<u>5,094,263</u>
Total liabilities	<u>8,360,405</u>	<u>8,021,760</u>
Shareholder's Equity		
Common shares (note 8)	4,631,198	4,631,198
Accumulated net earnings (deficit) - Statement 2	(1,419,238)	(1,150,042)
	<u>3,211,960</u>	<u>3,481,156</u>
Total liabilities and shareholder's equity	<u>\$ 11,572,365</u>	<u>\$ 11,502,916</u>

The accompanying notes are an integral part of this financial statement.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**  
(with comparative figures for the year ended December 31, 2002)

	<u>2003</u>	<u>2002</u>
<b>Service revenue</b>		
Residential	\$ 4,793,791	\$ 6,458,952
General	6,709,773	7,520,456
Commercial and industrial	1,354,858	1,078,377
Street lighting	<u>114,187</u>	<u>117,448</u>
	12,972,609	15,175,233
<b>Cost of power</b>	<u>11,173,701</u>	<u>13,415,745</u>
<b>Gross margin on service revenue</b>	<u>1,798,908</u>	<u>1,759,488</u>
<b>Expenditures</b>		
Administration and general	540,622	533,206
Customers' billing and collecting	515,862	398,670
Distribution expenses - operations	90,430	107,524
Distribution expenses - maintenance	369,987	333,921
Amortization (note 1)	474,541	504,618
Interest	<u>308,610</u>	<u>342,321</u>
	<u>2,300,052</u>	<u>2,220,260</u>
<b>Net operating revenue (loss)</b>	<u>(501,144)</u>	<u>(460,772)</u>
<b>Other revenue (expenditures)</b>		
Interest, late payment and miscellaneous charges	<u>231,948</u>	<u>191,834</u>
<b>Net earnings (loss) for the year</b>	<u>\$ (269,196)</u>	<u>\$ (268,938)</u>

The accompanying notes are an integral part of this financial statement.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

Middlesex Power Distribution Corporation was incorporated in Ontario on April 11, 2000 to distribute electrical power in accordance with Section 144 of the Electricity Act, 1998.

The Corporations of the Town of Strathroy, the Township of Caradoc and the Town of Parkhill passed bylaws transferring the assets and liabilities of their respective Hydro Electric Commissions effective November 1, 2000 to Middlesex Power Distribution Corporation.

**1. Significant accounting policies**

The Corporation's financial statements have been prepared in accordance with accounting principles for Electric Utilities as prescribed by the Ontario Energy Board. All principles employed are in accordance with the generally accepted accounting principles.

**Accounts receivable**

Accounts receivable are shown net of an allowance for doubtful accounts of \$81,000 (2002 - \$ 45,000).

**Inventories**

Inventories consist of material and supplies purchased for future use and are valued at cost using the average cost method.

**Capital assets and amortization**

Capital assets are amortized on a straight line basis over their anticipated useful lives as determined by the Ontario Energy Board. Capital assets include transformers which are in inventory as prescribed by the Ontario Energy Board.

**Revenue Recognition**

Revenue is recorded using the accrual basis of accounting and is based on regular meter readings and estimates of customer usage since the last meter reading date to the end of the year.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

**2. Deferred assets**

Deferred assets include transition costs of \$ 186,100 (2002 - \$168,334) and retailer settlement variance accounts of \$ 359,068 (2002 - \$ 270,348). The transition costs were incurred in order to prepare the Corporation for the deregulated electricity industry, which opened May 1, 2002. The retailer settlement variance accounts are a result of Bill 210 which has deferred future rate increases until 2006. It is management's belief that they will be able to recover both of these costs through rates after that time.

**3. Pension agreements**

The Corporation makes contributions to the Ontario Municipal Employees Retirement Savings Pension Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a contributory defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Effective August 1, 1998, the Pension Fund started a premium holiday for the members which results in a savings for both the employer and employees. The amount contributed to OMERS for 2003 is \$ 7,418 (2002 \$NIL).

**4. Class action lawsuit**

A class action claiming \$500 million in restitutionary payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against Toronto Hydro Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged Late Payment charges on overdue utility bills at any time after April 1, 1981. The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under Section 347(1)(b) of the Criminal Code. The Electricity Distributors Association is undertaking the defense of this class action. At this time it is not possible to quantify the effect, if any, on the financial statements of the Corporation.

**5. Bank loan**

The Corporation has a demand instalment loan of \$298,208 (2002 - \$340,308) which is repayable over the next seven years at monthly payments of \$3,508 plus interest which is 1% over prime.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

**10. Post employment benefit**

The Corporation is liable for providing certain life insurance benefits for its retirees until their date of death. In accordance with the requirements of the Canadian Institute of Chartered Accountants, the present value of these benefits are to be accrued in these financial statements. The Corporation received an actuarial's evaluation of this liability in 2003 and has accrued \$214,778 (2002 - \$135,229).

**11. Commitment**

The Corporation has contracted with an unrelated party, by way of a letter of agreement, to provide the Corporation with certain management, human resources, financial, regulatory, customer support and engineering support services for an undetermined period of time.

The Corporation, in order to obtain the electricity it requires to distribute to its customers, is required to provide security to the Independent Electricity Market Operator based on its usage as of May 1, 2002. The security obtained was a letter of credit from a financial institution for \$1,683,492 and was not utilized as at December 31, 2003.

The Corporation has an available line of credit from a financial institution for \$ 1,500,000. As at December 31, 2003, there was \$ 112,840 (2002 - \$ 168,417) outstanding. The line of credit carries an interest rate of prime plus 1%.



**Attachment 16**  
**2003 Tax Returns**



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)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. 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 **Page 1 of 24**

Corporation's Legal Name (including punctuation) Middlesex Power Distribution Corporation				Ministry Use Ontario Corporations Tax Account No. (MOF) 1800268	
Mailing address 351 Frances Street				This CT23 Return covers the Taxation Year Start 2003/01/01 End 2003/12/31	
City Strathroy	Province ON	Country CA	Postal code N7G 2C7		
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date of change				Date of Incorporation or Amalgamation 2000/04/11	
Registered/Head Office Address 351 Frances Street				Ontario Corporation No. 1800268 (MCBS)	
City Strathroy	Province ON	Country CA	Postal code N7G 2C7	Canada Customs and Revenue Agency Business No. 865701635RC0001	
Name of person to contact regarding this CT23 Return Thomas Enright		Telephone No. (519) 245-2010	Fax No. (519) 245-5384	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: Commenced Ceased <input checked="" type="checkbox"/> Not Applicable	
City	Province	Country	Postal code		
Former Corporation Name (Extra-Provincial Corporations only) <input type="checkbox"/> Not applicable (MCBS)				Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français	
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). ▶ No. of Schedule(s) 0				Ministry Use	
If there is <b>no change</b> to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS). ▶ <input checked="" type="checkbox"/> No Change					

## Certification (MCBS)

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

Name of Authorized Person

Thomas Enright

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.

Taxation Year End

**Exempt From Filing (EFF)  
Corporations Tax Return Declaration**

Page 2 of 24

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)
--------------------------	--

I, \_\_\_\_\_ declare that:

The above corporation satisfies all of the exempt from filing criteria (a) through (f) below for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

**Criteria for exempt from filing status:**

- |  |   |
|--|---|
| <p>a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;</p> <p>b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);</p> <p>c) had no Ontario Corporations Tax payable for the taxation year;</p> | <p>d) was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more shares owned by Canadian residents as defined by the <i>Income Tax Act</i> (Canada));</p> <p>e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and</p> <p>f) is NOT subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed \$5 million or whose total revenues exceed \$10 million for the taxation year).</p> |
|--|---|

Signature	Title/Relationship to Corporation	Telephone number ( ) -	Date
-----------	-----------------------------------	---------------------------	------

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

**NOTE 1:** Filing of this declaration and the Annual Return does not constitute the filing of a Corporations Tax Return under section 75 of the *Corporations Tax Act*.

**NOTE 2:** The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

- If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.
- If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.
- If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

The following 3 items MUST be completed if the EFF declaration only is being submitted at this time. In cases where the annual return, which includes page 1, is also being filed, completion of these fields is NOT necessary.

**1. Corporation's Mailing Address**

City	Province	Country	Postal code
------	----------	---------	-------------

**2. Ontario Corporation No. (MCBS)**

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**3. Canada Customs and Revenue Agency Business No.**

RC
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A corporation must file an **Exempt From Filing Corporations Tax Return Declaration** form for each taxation year that the corporation is exempt from filing, **within 6 months** after the end of its taxation year, to the address shown at the top of Page 1.

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return.

To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes	No		Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(d) The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each \$1,500,000 or less and the corporation is not a financial institution; OR
		Indicate Share Capital with full voting (nearest whole percentage) rights owned by Canadian Residents <u>100</u> %			The corporation's taxation year commences after September 30, 2001, and its gross revenue and total assets are each \$3,000,000 or less and the corporation is not a financial institution.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(b) The corporation's taxable income for the taxation year is \$200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (Refer to guide)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTTC).
<input type="checkbox"/>	<input checked="" type="checkbox"/>	(c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(f) The corporation's Ontario allocation factor is 100%.

**NOTE:** Family Farm or Fishing corporations that have a taxation year ending on or after January 1, 2000 and that are NOT subject to the Corporate Minimum Tax, may also use the **CT23 Short-Form Corporations Tax Return** if the corporation checks "Yes" to (a), (b), (c), (e) and (f) above.

**CT23 Corporations Tax Return****CT23 Page 3 of 24***Identification continued (for CT23 filers only)***Type of Corporation - Please check (✓) box(es) if applicable in sections 1 & 2**

- 1** ☒ 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 %) 100 %

Ontario Retail Sales Tax Vendor  
Permit No.  
(Use Head Office No.)Ontario Employer Health Tax Account  
No.  
(Use Head Office No.)Specify major business activity  
Distribution of electricity

- 2** ☐ 1 Family Farm Corporation s.1(2) ☐ 14 Bare Trustee Corporation
- ☐ 2 Family Fishing Corporation s.1(2) ☐ 15 Branch of Non-resident s.63(1)
- ☐ 3 Mortgage Investment Corp s.47 ☐ 16 Financial institutions prescribed by Regulation only
- ☐ 4 Credit Union s.51 ☐ 17 Investment Dealer
- ☐ 5 Bank Mortgage Subsidiary s.61(4) ☐ 18 Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- ☐ 6 Bank s.1(2) ☐ 19 ☒ Hydro successor, Municipal Electrical Utility or subsidiary of either
- ☐ 7 Loan and Trust Corporation s.61(4) ☐ 20 Producer and seller of steam for uses other than for the generation of electricity
- ☐ 8 Non-resident Corp s.2(2)(a) or (b) ☐ 21 Insurance Exchange s.74.4
- ☐ 9 Non-resident Corporation s.2(2)(c) ☐ 22 Farm Feeder Finance Co-operative Corporation
- ☐ 10 Mutual Fund Corporation s.48 ☐ 23 Professional Corporation (incorporated professionals only)
- ☐ 11 Non-resident owned investment Corp s.49
- ☐ 12 Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

**Please check (✓) box(es) if applicable:**

- ☐ First Year of Filing ☐ Final Taxation Year up to Dissolution(wind-up) ☐ Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario  
(Note: For discontinued businesses, see Guide.)
- ☐ Amended Return ☐ Final Taxation Year before Amalgamation ☐ Acquisition of Control fed s.249(4)  
Date control was acquired: \_\_\_\_\_
- ☐ Taxation Year End has changed - Canada Customs and Revenue Agency approval required ☐ Floating Fiscal Year End

Was the corporation inactive throughout the taxation year?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Are you requesting a refund due to:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
the Carry-back of a Loss?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
an Overpayment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
a Specified Refundable Tax Credit?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Are you a Member of a Partnership or a Joint Venture?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

**Income Tax****CT23 Page 4 of 24**

**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).

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From 690±	
Subtract: Charitable donations	1 -	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	2 -	
Subtract: Taxable dividends deductible, per federal T2 SCH 3	3 -	
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002)	4	
Subtract: Federal Part VI.1 tax X 9/3	5 -	
Subtract: Prior years' losses applied - Non-capital losses	From 704	
	From 715	
Net capital losses (page 16) X rate 50.000000 % =	714	
Farm losses	From 724-	
Restricted farm losses	From 734-	
Limited partnership losses	From 754-	
<b>Taxable income (Non-capital loss)</b>	10	
Addition to taxable income for unused foreign tax deduction for federal purposes	11 +	
<b>Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)</b>	20	

Taxable Income		Number of days in Taxation Year		
		Days after Sept 30, 2001 and before Jan 1, 2004	Total days	
From 10 (or 20)	X30 100.0000 % X 12.5 % X 33	365	+ 73	365 = 29+
	Ontario Allocation	Days after Dec 31, 2003	Total days	
From 10 (or 20)	X30 100.0000 % X 14.0 % X 34		+ 73	365 = 32+
	Ontario Allocation			
<b>Income Tax Payable (before deduction of tax credits) 29 + 32</b>				40

**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 year? (✓) ☐ Yes ☒ No

\* Income from active business carried on in Canada

for federal purposes (fed.s.125(1)(a))	50	
Federal taxable income, less adjustment		
or foreign tax credit (fed.s.125(1)(b))	51 +	
Add: Losses of other years deducted		
for federal purposes (fed.s.111)	52 +	
Subtract: Losses of other years		
deducted for Ontario purposes (s.34)	53 -	
	=	54

Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)

55 + 112,500

**Ontario Business Limit Calculation**

Days after Sept. 30, 2001 and before Jan. 1, 2003			
280,000 X 28	+ **	365	=+ 43
Days after Dec. 31, 2002 and before Jan. 1, 2004			
320,000 X 31	365 + **	365	=+ 46 320,000
Days after Dec. 31, 2003			
400,000 X 34	+ **	365	=+ 47

\*\*\* Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated

Business limit for Ontario purposes 43 + 46 + 47 = 44 320,000 X 48 50.0000 % = 45 160,000

Income eligible for the IDSBC From 30 100.0000 % X 56 60 =

\*\*\*\* 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)).

**Income Tax** *continued from Page 4*

Year	Number of Days in Taxation			
Calculation of IDSBC Rate	6.5 % X 28	Days after Sept 30, 2001 and before Jan 1, 2003	+ 73	Total Days 365 = 79 +
	7.0 % X 31	Days after Dec 31, 2002 and before Jan 1, 2004	+ 73	Total Days 365 = 89 + 7.0000
	8.5 % X 34	Days after Dec 31, 2003	+ 73	Total Days 365 = 90 +
<b>IDSBC Rate for Taxation Year 79 + 89 + 90</b>				<b>78 = 7.0000</b>
Claim	From 60	X From 78	7.0000 %	70

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 +

**If you are a member of an associated group** (✓) 81 ☒ (Yes)

Taxable income of associated corporations (Attach schedule) 82 +  
 Aggregate Taxable Income 85 =

**Number of days in Taxation Year**

Subtract: 280,000 X 28	Days after Sept 30, 2001 and before Jan 1, 2003	+ 73	Total Days 365 = 113 +
320,000 X 31	Days after Dec 31, 2002 and before Jan 1, 2004	+ 73	Total Days 365 = 115 + 320,000
400,000 X 34	Days after Dec 31, 2003	+ 73	Total Days 365 = 116 +
<b>113 + 115 + 116</b>			<b>= 320,000 ▶</b>
			<b>114 - 320,000</b>
(If negative, enter nil)			<b>86 =</b>

**Number of Days in Taxation Year**

Calculation of Specified Rate for Surtax	4.333% X 28	Days after Sept 30, 2001 and before Jan 1, 2003	+ 73	Total Days 365 = 95 +
	4.667% X 31	Days after Dec 31, 2002 and before Jan 1, 2004	+ 73	Total Days 365 = 96 + 4.6670
	4.667% X 34	Days after Dec 31, 2003	+ 73	Total Days 365 = 97 +
<b>Specified rate of surtax for Taxation Year 95 + 96 + 97</b>				<b>94 = 4.6670</b>
From 86	X From 94	4.6670 % =	87 =	
From 87	X From 60	+ From 114	320,000	88 =
<b>Surtax: Lesser of 70 or 88</b>				<b>100 =</b>

**Income Tax** continued from Page 5

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**Additional Deduction for Credit Unions (s.51(4)) (Attach schedule 17)**110 **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

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From 56 -

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100  + From 30  100.0000 % + From 78  7.0000 % = 121

\*Ontario Allocation

Lesser of 56 or 121 122 +

120 - 56 + 122 130 =

**Taxable income** From 10 +

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) From 56 -

Add: Adjustments for Surtax on Canadian-controlled private corporations From 122 +

Subtract: Taxable income 10 X Allocation % to jurisdictions outside Canada 140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses 141

10 - 56 + 122 - 140 - 141 142

**Claim****Number of Days in Taxation Year**

143 <span style="background-color: #cccccc; border: 1px solid black; padding: 0 20px;"></span>	X From	30 <span style="background-color: #cccccc; border: 1px solid black; padding: 0 20px;"></span>	100.0000 % X 1.5% X	33 <span style="background-color: #cccccc; border: 1px solid black; padding: 0 20px;"></span>	365 +	73 <span style="background-color: #cccccc; border: 1px solid black; padding: 0 20px;"></span>	365 =	154 +	<span style="background-color: #cccccc; border: 1px solid black; padding: 0 20px;"></span>
Lesser of 130 or 142			*Ontario Allocation						

143 <span style="background-color: #cccccc; border: 1px solid black; padding: 0 20px;"></span>	X From	30 <span style="background-color: #cccccc; border: 1px solid black; padding: 0 20px;"></span>	100.0000 % X 2.0% X	34 <span style="background-color: #cccccc; border: 1px solid black; padding: 0 20px;"></span>	365 +	73 <span style="background-color: #cccccc; border: 1px solid black; padding: 0 20px;"></span>	365 =	156 +	<span style="background-color: #cccccc; border: 1px solid black; padding: 0 20px;"></span>
Lesser of 130 or 142			*Ontario Allocation						

M&P claim for taxation year 154 + 156 160

*\*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

**Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity** 162

**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

**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  Credit claimed 180

**Subtotal of Income Tax** 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 190

**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 + 

**Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies* to employment of eligible students.  
 Eligible credit from 5798 Summary Schedule F

192 + **Ontario Film and 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 (MFO) 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 + **Graduate Transitions Tax Credit (GTTC) (s.43.6)**

*Applies* to employment of eligible unemployed post secondary graduate.

No. of Graduates from 6596  
 194

Eligible Credit from 6598 Summary Schedule G

195 + **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 + **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 + **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 + **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 (MFO) 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 + **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 + **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 + 

**Total Specified Tax Credits:** 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201

220 = 

**Specified Tax Credits Applied to reduce Income Tax**

225 = 

**Income Tax 190 - 225 OR Enter NIL if reporting Non-Capital Loss** (amount cannot be negative)

230 = 

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**.



**Corporate Minimum Tax (CMT)**

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**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 +	11,572,365	
* Total Revenue of the corporation			241 + 12,972,609

If you are a member of an associated group (✓) **242** ☒ (Yes)

Total Assets of associated corporations (Attach schedule)	243 +	4,974,809	
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Total Revenue of associated corporations (Attach schedule)			244 + 91,229
--	--	--	--------------

Aggregate Total Assets	249 =	16,547,174	
------------------------	-------	------------	--

Aggregate Total Revenue			250 = 13,063,838
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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.)

Gross CMT Payable	CMT Base From <b>2135</b>	X	From <b>30</b>	100.0000 % X 4%	276 =
	If negative, enter zero			Ontario Allocation	

Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)		277 =
---	--	-------

Subtract: Income Tax		From <b>190</b> -
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Net CMT Payable (if negative, enter Nil on page 17.)		280 =
--	--	-------

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 <b>2307</b>
--------------------------------	--	------------------

**Application of CMT Credit Carryovers**

A.	Income Tax (before deduction of specified credits)		From <b>190</b> +
	Gross CMT payable	From <b>276</b> +	
	Subtract: Foreign Tax Credit for CMT purposes	From <b>277</b> -	
	If <b>276</b> - <b>277</b> is negative, enter NIL in <b>290</b>	=	290 -
	Income Tax eligible for CMT Credit		300 =
B.	Income Tax (after deduction of specified credits)		From <b>230</b> +
	Subtract: CMT credit used to reduce income taxes		310 =
	Income Tax		320 =

Transfer to Page 17

If **A & B** apply, **310** cannot exceed the lesser of **230**, **300** and your CMT credit carryover available **2307**.If only **B** applies, **310** cannot exceed the lesser of **230** and your CMT credit carryover available **2307**.

**Capital Tax** (Refer to Guide and Int.B. 3011)

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If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

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

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

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

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

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

**Paid-up Capital**

Paid-up capital stock (Int.B. 3012 and 3015)	350 +	4,631,198
Retained earnings (if deficit, deduct) (Int.B. 3012)	351 ±	(1,419,238)
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	352 +	
Loans and advances (Attach schedule)(Int.B. 3013)	353 +	
Bank loans (Int.B. 3013)	354 +	728,321
Bankers acceptances (Int.B. 3013)	355 +	
Bonds and debentures payable (Int.B. 3013)	356 +	
Mortgages payable (Int.B. 3013)	357 +	
Lien notes payable (Int.B. 3013)	358 +	4,140,995
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)	359 +	
Contingent, investment, inventory and similar reserves (Int.B. 3012)	360 +	
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012)	361 +	
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	362 +	
<b>Subtotal</b>	370 =	8,081,276
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	371 -	(828,507)
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	372 -	
<b>Total Paid-up Capital</b>	380 =	8,909,783
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381 -	
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382	
<b>Net Paid-up Capital</b>	390 =	8,909,783

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

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

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	402 +	
Mortgages due from other corporations	403 +	
Shares in other corporations (certain restrictions apply) (Refer to Guide)	404 +	
Loans and advances to unrelated corporations	405 +	
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	406 +	
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	407 +	
<b>Total Eligible Investments</b>	410 =	

### Total Assets (Int.B. 3015)

Total Assets per balance sheet	420 +	11,572,365
Mortgages or other liabilities deducted from assets	421 +	
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )	422 +	
Subtract: Investment in partnership(s)/joint venture(s)	423 -	
<b>Total Assets as adjusted</b>	430 =	11,572,365
Amounts in 360 and 361 (if deducted from assets)	440 +	
Subtract: Amounts in 371, 372 and 381	441 -	(828,507)
Subtract: Appraisal surplus if booked	442 -	
Add or Subtract: Other adjustments (specify on an attached schedule)	443 ±	
<b>Total Assets</b>	450 =	12,400,872

**Investment Allowance**  $(410 + 450) \times 390$

Not to exceed 410 460 =

## Taxable Capital 390 - 460

470 = 8,909,783

**Gross Revenue** (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation	12,972,609
----------------------------------	------------

Corporation's Share of partnership(s)/joint venture(s) Gross Revenue (Attach schedule)

Aggregate of Gross Revenue

12,972,609	480	12,972,609
------------	-----	------------

Total Assets (as adjusted)

From 430	11,572,365
----------	------------

### 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 \_\_\_\_\_ Days in taxation year  
 = 471 \_\_\_\_\_ x From 30 [ ] 100.0000 x 0.3% x 555 \_\_\_\_\_ 365 = 523 + \_\_\_\_\_  
 Ontario Allocation \*\*365/366

*Transfer to 543 on page 12 and complete the return from that point*

**\*\* If floating taxation year, refer to Guide.**

*continued on Page 11*

**Capital Tax Calculation** *continued from page 10*

CT23 Page 11 of 24

**SECTION 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** (✓ 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** (✓ 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 form <b>470</b> on page 10	From <b>470</b> +	8,909,783
<b>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</b>		
Taxable Capital of associated corporations ( <i>Attach schedule</i> )	<b>531</b> +	244,192
Total Aggregate Taxable Capital <b>470</b> + <b>531</b>	<b>540</b> =	9,153,975

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** 8,909,783 + From **540** 9,153,975 X 5,000,000 **541** = 4,866,620  
 Transfer to Section 542 in D on page 12

**Ss.69(2.1) Election Filed**

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

565                      x 0.6% x From 30                      % x 555                      + <sup>Days in taxation year</sup> \*\*365/366 = 569 +                       
 Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1  
 Ontario Allocation

570                      x 571                      x From 30                      % x 555                      + <sup>Days in taxation year</sup> \*\*365/366 = 574 +                     

Adjusted TPUC                      Capital Tax Rate                      Ontario Allocation  
in accordance with                      (Refer to Guide)  
Division B.1 in excess  
of Basic Capital Amount

**Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574** **575=**

**\*\* If floating taxation year, refer to Guide.**

## II. Small Business Investment Tax Credit

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

Allowable Credit for Eligible Investments 585

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

**Capital Tax - Financial Institutions 575 - 585** **586 =**  
*Transfer to 543 on Page 12*

Transfer to 543 on Page 12

## Premium Tax (s.74.2 & 74.3) *(refer to Guide)*

(1) Uninsured Benefits Arrangements	587	x 2%	588	=
-------------------------------------	-----	------	-----	---

**Applies** to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in **588** and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in **588**.)

**Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.**

Deduct: Specified Tax Credits applied to reduce premium tax (Refer to guide) 589

Premium Tax 588 - 589	590 =
-----------------------	-------

Transfer to Page 17

**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±***Transfer to Page 15***Add:**

Federal capital cost allowance	601 +	205,345
Federal cumulative eligible capital deduction	602 +	
Ontario taxable capital gain	603 +	
Federal non-allowable reserves. Balance beginning of year	604 +	
Federal allowable reserves. Balance end of year	605 +	
Ontario non-allowable reserves. Balance end of year	606 +	
Ontario allowable reserves. Balance beginning of year	607 +	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	608 +	
Federal resource allowance	609 +	
Federal depletion allowance	610 +	
Federal foreign exploration and development expenses	611 +	
Management fees, rents, royalties and similar payments to non-arms' length non-residents		

**Number of days in Taxation Year**

Days after Sept. 30, 2001  
and before Jan. 1, 2004      Total days

612 \_\_\_\_\_ X 5/12.5 X 33      365 + 73      365 = 633 + \_\_\_\_\_

Days after Dec. 31, 2003      Total days

612 \_\_\_\_\_ X 5/14.0 X 34      + 73      365 = 634 + \_\_\_\_\_

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

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

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

Federal allowable business investment loss

Total of other items not allowed by Ontario but allowed federally (Attach schedule)

**Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614**

613 +

615 +

616 +

620 +

614 +

= 205,345 640

205,345

*Transfer to Page 15***Deduct:**

Ontario capital cost allowance (excludes amounts deducted under 675)	650 +	205,345
Ontario cumulative eligible capital deduction	651 +	
Federal taxable capital gain	652 +	
Ontario non-allowable reserves. Balance beginning of year	653 +	
Ontario allowable reserves. Balance end of year	654 +	
Federal non-allowable reserves. Balance end of year	655 +	
Federal allowable reserves. Balance beginning of year	656 +	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE)		
(Retain calculations. Do not submit.)	657 +	
Ontario depletion allowance	658 +	
Ontario resource allowance	659 +	
Ontario current cost adjustment (Attach schedule)	661 +	
Incentive for new electricity supply (section 13.6 deduction from income)		
(Applies only to electrical generating corporations.)	674 +	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	675 +	
<b>Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675</b>	681	205,345

*Transfer to 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 ±	
Sub Total of Additions	From 640 =	205,345

Sub Total of deductions on page 14	From 681 =	205,345
------------------------------------	------------	---------

**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

**ONTTI Gross-up deduction calculation:**

From Gross-up of CCA

662	x 100/ 30	100.0000	- From 662	663 =	
			Ontario allocation		

**Workplace Child Care Tax Incentive**

Qualifying expenditures: 665	x 30%	x 100/ 30	100.0000	666 =	
			Ontario Allocation		

**Workplace Accessibility Tax Incentive**

Qualifying expenditures: 667	x 100%	x 100/ 30	100.0000	668 =	
			Ontario Allocation		

**Number of****Employees accommodated 669****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	x 30%	x 100/ 30	100.0000	671 =	
			Ontario Allocation		

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

Qualifying expenditures 672	x 15%	x 100/ 30	100.0000	673 =	
			Ontario Allocation		

**Ontario allowable business investment loss**

678 +

**Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161**

679 +

**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 +

**Total of other deductions allowed by Ontario (Attach schedule)**

664 +

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664	=	205,345	680	205,345
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Net income (loss) for Ontario purposes 600 + 640 - 680	690 =	
	Transfer to Page 4	



**Continuity of Losses Carried Forward****CT23 Page 16 of 24**

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
<b>Balance at Beginning of Year</b>	<b>700 (2)</b>	<b>710 (2)</b>	<b>720 (2)</b>	<b>730</b>	<b>740</b>	<b>750</b>
<b>Add:</b>	<b>701</b>	<b>711</b>	<b>721</b>	<b>731</b>	<b>741</b>	<b>751</b>
Current year's losses (7)						
Losses from predecessor corporations (3)	<b>702</b>	<b>712</b>	<b>722</b>	<b>732</b>		<b>752</b>
	<b>703</b>	<b>713</b>	<b>723</b>	<b>733</b>	<b>743</b>	<b>753</b>
<b>Subtotal</b>						
<b>Subtract:</b>	<b>704 (2)</b>	<b>715 (2)(4)</b>	<b>724 (2)</b>	<b>734 (2)(4)</b>	<b>744 (4)</b>	<b>754 (4)</b>
Utilized during the year to reduce taxable income	<b>705</b>		<b>725</b>	<b>735</b>	<b>745</b>	
Expired during the year						
Carried back to prior years to reduce income (5)	<b>706 (2) To Pg 17</b>	<b>716 (2) To Pg 17</b>	<b>726 (2) To Pg 17</b>	<b>736 (2) To Pg 17</b>	<b>746</b>	
	<b>707</b>	<b>717</b>	<b>727</b>	<b>737</b>	<b>747</b>	<b>757</b>
<b>Subtotal</b>						
<b>Balance at End of Year</b>	<b>709 (8)</b>	<b>719</b>	<b>729</b>	<b>739</b>	<b>749</b>	<b>759</b>

**Notes:**

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.
- (3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amounts from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

**Analysis of Balance by Year of Origin**

Year of Origin (oldest year first)	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				850	870
801				851	871
802				852	872
803	820	830	840	853	873
804	821	831	841	854	874
805 2000/09/30	822	832	842	855	875
806 2001/09/30	823	833	843	856	876
807 2001/12/31	824	834	844	857	877
808 2002/12/31	825	835	845	858	878
809 2003/12/31	826	836	846	859	879
<b>Total</b>	<b>829</b>	<b>839</b>	<b>849</b>	<b>869</b>	<b>889</b>

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

CT23 Page 17 of 24

**Applies** to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Minister 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
<b>Total amount of loss</b>			910	920	930	940
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income.						
	<b>Predecessor Corporation's Account No. (MOF)</b>	<b>Taxation Year Ending</b>	911	921	931	941
i) 3rd preceding	901	2001/09/30				
ii) 2nd preceding	902	2001/12/31				
iii) 1st preceding	903	2002/12/31				
<b>Total loss to be carried back</b>			From 706	From 716	From 726	From 736
<b>Balance of loss available for carryforward</b>			919	929	939	949

**Summary**

Income Tax	From 230 or	320	+		
Corporate Minimum Tax	From	280	+		
Capital Tax	From	550	+		12,129
Premium Tax	From	590	+		
<b>Total Tax Payable</b>		<b>950</b>	=		<b>12,129</b>
<b>Subtract:</b>	<b>Payments</b>	<b>960</b>			
	<b>Capital Gains Refund (s.48)</b>	<b>965</b>			
	<b>Qualifying Environmental Trust Tax Credit</b>				
	<i>(Refer to Guide)</i>	<b>985</b>			
	<b>Specified Tax Credits</b>				
	<i>(Refer to Guide)</i>	<b>955</b>			
<b>Balance</b>		<b>970</b>	=		<b>12,129</b>
<b>If payment due</b>	Enclosed *	<b>990</b>			
<b>If overpayment: Refund</b>	<i>(Refer to Guide)</i>	<b>975</b>	=		
<b>Apply to</b>		<b>980</b>			

(Includes credit interest)

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

Title  
Chairman

Full Residence Address  
351 Frances Street

City  
Strathroy

Province  
ON

Country  
CA

Postal Code  
N7G 2C7

Signature

Date  
2005/04/22

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

**Corporate Minimum Tax - Schedule A:**  
**Calculation of CMT Base**

CT23 Schedule A

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**Banks** - 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±** (269,196)**Subtract (to the extent reflected in net income/loss):**

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

**Subtotal** = **2109-****Add (to extent reflected in net income/loss):**

Provision for current taxes / cost of current income taxes	<b>2110+</b>	
Provision for deferred income taxes (debits) / cost of future income taxes	<b>2111+</b>	
Equity losses from corporations	<b>2112+</b>	
Share of partnership(s)/joint venture(s) losses	<b>2113+</b>	
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))	<b>2114+</b>	

**Subtotal** = **2115+****Add/Subtract:**

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

** Fed.s.85	<b>2116+</b>	or	<b>2117-</b>
** Fed.s.85.1	<b>2118+</b>	or	<b>2119-</b>
** Fed.s.97	<b>2120+</b>	or	<b>2121-</b>

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

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

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

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

**Subtotal (Additions)** = **2128+****Subtotal (Subtractions)** = **2129-****\*\* Other adjustments** **2130±****Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130** **2131=** (269,196)**\*\* Share of partnership(s)/joint venture(s) adjusted net income/loss** **2132±****Adjusted net income (loss) (if loss, transfer to 2202 in Schedule B)** **2133=** (269,196)

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

CMT losses: other eligible losses \* **2211+**

= **2134-**

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

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

**CMT Base** **2135=**

Transfer to CMT Base on page 8



## Corporate Minimum Tax (CMT)



## Schedule D: Continuity of CMT Credit Carryovers

## CMT credit continuity by year

Year of origin	Beginning balance	Transfers on amalgamation or wind-up	Adjustments	Current year credit	Applied	Expired	Ending balance
2001/09/30							
2001/12/31							
2002/12/31							
2003/12/31							
Totals							

Balance at Beginning of year (1) 2301 +

Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL) From 280 +

CMT Credit Carryovers from predecessor corporations (2) 2302 +

Amalgamation (✓) 2303 ☐ Yes Wind-up (✓) 2304 ☐ Yes

Subtotal = 2305 +

Adjustments (Attach schedule) 2306 ±

CMT credit carryover available 2301 + 2305 ± 2306 2307 =

Transfer to Page 8

Subtract: CMT credit utilized during the year to reduce income tax (Page 8) From 310 +

CMT credit expired during the year 2308 +

Subtotal = 2309 -

Balance at End of Year (3) 2307 - 2309 2310 =

## 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))
- (3) Amount in 2310 must equal the sum of 2370 + 2390.

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

Year of Origin (oldest year first)	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporations
2340	2360	2380
2341	2361	2281
2342	2362	2382
2343	2363	2383
2344	2364	2384
2345	2365	2385
2346 2001/09/30	2366	2386
2347 2001/12/31	2367	2387
2348 2002/12/31	2368	2388
2349 2003/12/31	2369	2389
Totals	2370	2390

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



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

# Ontario Capital Cost Allowance Schedule 8

## ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name Middlesex Power Distribution Corporation		Ontario Corporations Tax Account No. (MOF) 1800268	Taxation Year End 2003/12/31
--	--	---	---------------------------------

Is the corporation electing under regulation 1101(5q)? 101 1 ☐ Yes 2 ☒ No

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the year See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	5,144,659	297,420			5,442,079	148,710	5,293,369	4			205,345	5,236,734
2	3,036,107				3,036,107		3,036,107	6				3,036,107
8	111,390	4,504			115,894	2,252	113,642	20				115,894
10	184,948	17,361			202,309	8,681	193,628	30				202,309
Totals	8,477,104	319,285				159,643	8,636,746				205,345	8,591,044

Enter in box 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.

Corporation's Legal Name Middlesex Power Distribution Corporation	Ontario Corporations Tax Account No. (MOF) 1800268	Taxation Year End 2003/12/31
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- 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 beginning of taxation year (if negative, enter zero)			387,839	A
Add:				
Cost of eligible capital property acquired during the taxation year	+			B
Amount transferred on amalgamation or wind-up of subsidiary	+			C
Other adjustments	+			D
Total of B + C + D	=		x 3/4=	E
Subtotal A + E			=	387,839 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	+			G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the <i>Income Tax Act</i> (Canada)	+			H
Other adjustments	+			I
Total of G + H + I	=		x 3/4=	J
Ontario cumulative eligible capital balance F - J			=	387,839 K

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

Current year deduction	387,839 K x 7%*	=		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)	=		387,839	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**

Complete this part only if the amount at line K is negative

Amount from line K above show as a positive amount				N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988			1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)			2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988			3	
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988			4	
Line 3 deduct line 4			5	
Total lines 1 + 2 + 5			6	
Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000			7	
Deduct line 7 from line 6				O
N - O (cannot be negative)				P
Amount on line 5 x 1/2				Q
P - Q				R
Amount on line R x 66.6667				S
Lesser of line N or line O				T
Amount to be included in income S + T				

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

# Details of Associated Ontario Corporations

Names of associated corporations (Canadian and foreign)	Permanent establishment In Canada?	Ontario Account Number	Taxation Year End
Middlesex Energy Services Corporation	Yes	1800293	2003/12/31
Middlesex Power Corporation	Yes	1800267	2003/12/31

Names of associated corporations	Surtax on CCPCs	Corporate Minimum Tax		Capital Tax
	Taxable income	Total Assets	Total Revenue	Taxable Capital
Middlesex Energy Services Corporation		221,760	91,229	244,192
Middlesex Power Corporation		4,753,049		
Totals	0	4,974,809	91,229	244,192



**Ministry of Finance**Corporations Tax Branch  
PO Box 620  
33 King Street West  
Oshawa, ON L1H 8E9**Taxable Capital of Associated Corporations**(Applicable to an associated group that  
has a permanent establishment in Canada)**Schedule CT21**

Corporation's Legal Name Middlesex Power Distribution Corporation	Ontario Corporations Tax Account No. (MOF) 1800268	Taxation Year End 2003/12/31
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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.

Name of Associated Corporation (Must have a PE In Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
Middlesex Energy Services Corporation	1800293	2003/12/31	244,192
Middlesex Power Corporation	1800267	2003/12/31	
Aggregate of taxable capital			244,192

Transfer to **540** of the CT23

**Ontario****Ministry of Finance**Corporations Tax Branch  
PO Box 620  
33 King Street West  
Oshawa ON L1H 8E9**Corporate Minimum Tax - Associated Corporation**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Middlesex Power Distribution Corporation	1800268	2003/12/31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
Middlesex Energy Services Corporation	1800293	2003/12/31	221,760	91,229
Middlesex Power Corporation	1800267	2003/12/31	4,753,049	
<b>Totals</b>			<b>4,974,809</b>	<b>91,229</b>

*Transfer to 249  
of the CT23**Transfer to 250  
of the CT23*

OConsent

# Ontario Consent Form

This form authorizes the Ontario Ministry of Finance to release confidential client information to a designated third party representative in matters pertaining to applicable legislation. **Note: This authorization is valid until the client or authorized signing person cancels it in writing. Please complete a separate form for each representative.**

The purpose of this form is:

☒ To authorize a third party representative or ☐ To cancel a third party representative

## 1. Client identification

Name

Middlesex Power Distribution Corporation

Ontario Corporations Tax Account Number

1800268

## 2. Authorized third party identification

Authorized individuals' name

Address

Phone number

( ) -

Authorized firm's name

Scrimgeour & Company, CGA

Address

1502-148 Fullarton Street London, Ontario N6A 5P3

Phone number

(519) 672-6811

## 3. Details of authorization

Indicate the period for which authorization or cancellation applies:

All years



OR

Specific years

\_\_\_\_\_

OR

All years prior to

\_\_\_\_\_

## 4. Authorized signature (client or authorized signing officer)

Thomas Enright

Name

(519) 245-2010

Telephone number

2005/04/22

Date signed

Chairman

Position, office or rank

Signature of client or authorized signing officer



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 corresponding items in 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, see items 1 to 5 in the guide.

055 Do not use this area

Identification

<b>Business number (BN) (item 11)</b> 001 86570 1635 RC 0001					
<b>Corporation's name (item 12)</b> 002 Middlesex Power Distribution Corporation					
Has the corporation changed its name since the last time we were notified? 003 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, do you have a copy of the articles of amendment? 004 <input type="checkbox"/> Yes <input type="checkbox"/> No				
<b>Address of head office (item 13)</b> Has the address changed since the last time we were notified? 010 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 011 351 Frances Street 012 City Province, territory, or state 015 Strathroy 016 ON Country (other than Canada) Postal code/Zip code 017 018 N7G 2C7	<b>To which taxation year does this return apply? (item 17)</b> From 060 2003/01/01 to 061 2003/12/31 Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, provide date control was acquired 065 <b>Is the corporation a professional corporation that is a member of a partnership? (item 18)</b> 067 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>Mailing address (if different from head office address) (item 14)</b> Has the address changed since the last time we were notified? 020 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 021 C/o 022 351 Frances Street 023 City Province, territory, or state 025 Strathroy 026 ON Country (other than Canada) Postal code/Zip code 027 028 N7G 2C7	<b>Is this the first year of filing after:</b> Incorporation? (item 19) 070 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Amalgamation? (item 20) 071 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, complete Schedule 24 <b>Has there been a wind-up of a subsidiary under section 88 during the current taxation year?(item 21)</b> If yes, complete Schedule 24 072 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>Location of books and records (item 15)</b> 031 351 Frances Street 032 City Province, territory, or state 035 Strathroy 036 ON Country (other than Canada) Postal code/Zip code 037 038 N7G 2C7	<b>Is this the final taxation year before amalgamation? (item 22)</b> 076 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>Is this the final return up to dissolution? (item 23)</b> 078 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>040 Type of corporation at end of taxation year (item 16)</b> 1 <input checked="" type="checkbox"/> Canadian controlled private corporation (CCPC) 2 <input type="checkbox"/> Other private corporation 3 <input type="checkbox"/> Public corporation 4 <input type="checkbox"/> Corporation controlled by a public corporation 5 <input type="checkbox"/> Other corporation (please specify, below) If the type of corporation changed during the taxation year, provide the effective date of the change 043	<b>Is the corporation a resident of Canada? (item 24)</b> 080 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, give the country of residence. 081 <b>Is the non-resident corporation claiming an exemption under an income tax treaty? (item 24)</b> 082 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, complete Schedule 91 <b>If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)</b> 085 1 <input type="checkbox"/> Exempt under 149(1)(e) or (l) 2 <input type="checkbox"/> Exempt under 149(1)(j) 3 <input type="checkbox"/> Exempt under 149(1)(t) 4 <input type="checkbox"/> Exempt under other paragraphs of section 149				
Do not use this area					
091	092	093	094	095	096
097					

Guide item	Attachments	Yes	Schedule
27 Is the corporation related to any other corporations?	150	<input checked="" type="checkbox"/>	9
28 Does the corporation have any non-resident shareholders?	151	<input type="checkbox"/>	19
29 Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160	<input checked="" type="checkbox"/>	23
30 Is the corporation an associated CCPC that is claiming the expenditure limit?	161	<input type="checkbox"/>	49
32 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	<input type="checkbox"/>	11
33 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	<input type="checkbox"/>	44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	<input type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	<input type="checkbox"/>	15
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166	<input type="checkbox"/>	T5004
38 Is the corporation a member of a partnership for which an identification number has been assigned?	167	<input type="checkbox"/>	T5013
40 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	<input type="checkbox"/>	22
41 Did the corporation have any foreign affiliates during the year?	169	<input type="checkbox"/>	25
42 Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170	<input type="checkbox"/>	29
43 Has the corporation had any non-arm's length transactions with a non-resident?	171	<input type="checkbox"/>	T106
47 Has the corporation made payments to, or received amounts from a retirement compensation arrangement?	172	<input type="checkbox"/>	----
46 Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	<input checked="" type="checkbox"/>	50
55 Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201	<input checked="" type="checkbox"/>	1
78-81 Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202	<input type="checkbox"/>	2
82,104 Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203	<input type="checkbox"/>	3
69-76 Is the corporation claiming any type of losses?	204	<input type="checkbox"/>	4
132 Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	<input type="checkbox"/>	5
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206	<input type="checkbox"/>	6
103 (i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (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	<input type="checkbox"/>	7
57 Does the corporation have any property that is eligible for capital cost allowance?	208	<input checked="" type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property?	210	<input checked="" type="checkbox"/>	10
59 Does the corporation have any resource-related deductions?	212	<input type="checkbox"/>	12
60 Is the corporation claiming reserves of any kind?	213	<input type="checkbox"/>	13
61 Is the corporation claiming a patronage dividend deduction?	216	<input type="checkbox"/>	16
62 Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217	<input type="checkbox"/>	17
150 Is the corporation an investment corporation or a mutual fund corporation?	218	<input type="checkbox"/>	18
131 Was the corporation carrying on business in Canada as a non-resident corporation?	220	<input type="checkbox"/>	20
118 Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221	<input type="checkbox"/>	21
155 Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226	<input type="checkbox"/>	26 *
111 Does the corporation have any Canadian manufacturing and processing profits?	227	<input type="checkbox"/>	27
121 Is the corporation claiming an investment tax credit?	231	<input type="checkbox"/>	31
63 Is the corporation claiming any scientific research and experimental development expenditures?	232	<input type="checkbox"/>	T661/T665
124 Is the corporation subject to Part 1.3 tax?	233	<input type="checkbox"/>	33/34/35
124 Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236	<input type="checkbox"/>	36
124 Is the corporation claiming a surtax credit?	237	<input type="checkbox"/>	37
128 Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	<input type="checkbox"/>	38
128 Is the corporation claiming a Part I tax credit?	242	<input type="checkbox"/>	42
129 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	<input type="checkbox"/>	43
129 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	<input type="checkbox"/>	45
125 Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249	<input type="checkbox"/>	46
128 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	<input type="checkbox"/>	39
128 For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251	<input type="checkbox"/>	40

**Attachments - Continued from page 2**

Guide item	Yes	Schedule
128 For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252 <input type="checkbox"/>	41
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131
130 Is the corporation subject to Part XIII.1 tax?	<input type="checkbox"/>	92 *
153 Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<input type="checkbox"/>	T1134-A
44 Did the corporation have any controlled foreign affiliates?	<input type="checkbox"/>	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	<input type="checkbox"/>	T1135
44 Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
- Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
- Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<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?	<input type="checkbox"/>	T1174

**Additional information**

Is the corporation inactive? (item 48)	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) (item 49)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (item 50)	282		
(Only complete if yes was entered at line 281.)			
If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51)	283	1 Wholesale <input type="checkbox"/>	2 Retail <input checked="" type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)	284	Electricity	285 100.000 %
	286		287 %
	288		289 %
Did the corporation immigrate to Canada during the taxation year? (item 53)	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year? (item 54)	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (item 77)	300	0	A
Deduct:			
Charitable donations from Schedule 2 (item 78)	311		
Gifts to Canada or a province, or a territory from Schedule 2 (item 79)	312		
Cultural gifts from Schedule 2 (item 80)	313		
Ecological gifts from Schedule 2 (item 81)	314		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	320		
Part VI.1 tax deduction from Schedule 43 (item 83)*	325		
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	331		
Net capital losses of preceding taxation years from Schedule 4 (item 85)	332		
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	333		
Farm losses of prior taxation years from Schedule 4 (item 87)	334		
Limited partnership losses of prior years from Schedule 4 (item 88)	335		
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	340		
Prospector's and grubstaker's shares (item 90)	350		
Subtotal			B
Subtotal (amount A minus amount B) (if negative, enter "0")			C
Add:			
Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)	355		D
Taxable income (amount C plus amount D) (item 92)	360	0	
Income exempt under paragraph 149(1)(t) (item 93)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)			Z

\* If the taxation year ends after December 31, 2002, use "3" instead of "9/4" in the calculation of the Part VI.1 tax deduction indicated in item 83 of the T2 Corporation Income Tax Guide.

**Small business deduction****Canadian-controlled private corporations throughout the taxation year**Income from active business carried on in Canada from Schedule 7 (item 95) 400 ATaxable income from line 360 on page 3, **minus** 10/3 the amount at line 632\* on page 7, **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 (item 96) 405 B**Calculation of the business limit: (item 97)**

for all CCPCs, calculate the amount at line 4 below

\$200,000 x Number of days in the taxation year before 2003 = 1  
Number of days in the taxation year 365\$225,000 x Number of days in the taxation year in 2003 = 225,000 2  
Number of days in the taxation year 365\$250,000 x Number of days in the taxation year in 2004 = 3  
Number of days in the taxation year 365Add amounts at line 1, 2, and 3 225,000 4Business limit (see notes 1 and 2 below) 410 112,500 C**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: (item 98)**Amount C 112,500 X 415 \*\*\* D = 11,250 EReduced business limit (amount C minus amount E) (if negative, enter "0") 425 112,500 F**Small business deduction** - 16% of the least of amounts A, B, C, and F 430 0 G

(enter amount G of line 9 on page 7)

**Accelerated tax reduction (item 99)****Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**Reduced business limit (amount from line 425)                      x                      =                      ANet active business income (amount from line 400)\*                      BTaxable 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 (item 96)                      C**Deduct:**Aggregate investment income (amount from line 440 of page 6)                      DAmount C minus amount D (if negative, enter "0")                      EAmount A, B, or E above, whichever is less                      FAmount Z from Part 9 of Schedule 27                      x 100 / 7 =                      GAmount QQ from Part 13 of Schedule 27                      HTaxable resource income from line 435 on page 5                      IAmount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)                      JAmount on line 400, 405, 410 or 425, whichever is less                      KTotal of amounts G, H, I, J, and K                      LAmount F minus amount L (if negative, enter "0")                      M**Accelerated tax reduction** - 7% of amount M                      N

(Enter amount N on line 637 of page 7)

\* If 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 (item 100)**

Taxable resource income		<b>435</b>	<b>A</b>
Amount A _____ x	<u>Number of days in the taxation year in 2003</u>	365	
	<u>Number of days in the taxation year</u>	365	x 1% = _____ <b>B</b>
Amount A _____ x	<u>Number of days in the taxation year in 2004</u>		
	<u>Number of days in the taxation year</u>	365	x 2% = _____ <b>C</b>
<b>Resource deduction - amount B plus amount C</b>		<b>438</b>	<b>D</b>
(enter amount D on line 10 of page 7)			

**General tax reduction for Canadian-controlled private corporations (item 101)****Canadian-controlled private corporations throughout taxation year**

Taxable income from line 360 page 3			<b>A</b>
Amount Z from Part 9 of Schedule 27 _____ x 100 / 7 =		<b>B</b>	
Amount QQ from Part 13 of Schedule 27 _____		<b>C</b>	
Taxable resource income from line 435 above _____		<b>D</b>	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____		<b>E</b>	
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less _____		<b>F</b>	
Aggregate investment income from line 440 of page 6 _____		<b>G</b>	
Amount used to calculate the accelerated tax reduction (amount M of page 4) _____		<b>H</b>	
Total of amounts B, C, D, E, F, G, and H _____		<b>I</b>	
Amount A minus amount I (if negative, enter "0") _____		<b>J</b>	
Amount J _____ x	<u>Number of days in the taxation year in 2001</u>		
	<u>Number of days in the taxation year</u>	365	x 1% = _____ <b>K</b>
Amount J _____ x	<u>Number of days in the taxation year in 2002</u>		
	<u>Number of days in the taxation year</u>	365	x 3% = _____ <b>L</b>
Amount J _____ x	<u>Number of days in the taxation year in 2003</u>		
	<u>Number of days in the taxation year</u>	365	x 5% = _____ <b>M</b>
Amount J _____ x	<u>Number of days in the taxation year after 2003</u>		
	<u>Number of days in the taxation year</u>	365	x 7% = _____ <b>N</b>
<b>General tax reduction for Canadian-controlled private corporations - total of amounts K, L, M and N</b>			<b>O</b>
(enter amount O on line 638 of page 7)			

**General tax reduction (item 102)****Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation**

Taxable income from line 360 on page 3			<b>A</b>
Amount Z from Part 9 of Schedule 27 _____ x 100 / 7 =		<b>B</b>	
Amount QQ from Part 13 of Schedule 27 _____		<b>C</b>	
Taxable resource income from line 435 above _____		<b>D</b>	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) _____		<b>E</b>	
Total of amounts B, C, D and E _____		<b>F</b>	
Amount A minus amount F (if negative, enter "0") _____		<b>G</b>	
Amount G _____ x	<u>Number of days in the taxation year in 2001</u>		
	<u>Number of days in the taxation year</u>		x 1% = _____ <b>H</b>
Amount G _____ x	<u>Number of days in the taxation year in 2002</u>		
	<u>Number of days in the taxation year</u>		x 3% = _____ <b>I</b>
Amount G _____ x	<u>Number of days in the taxation year in 2003</u>		
	<u>Number of days in the taxation year</u>		x 5% = _____ <b>J</b>
Amount G _____ x	<u>Number of days in the taxation year after 2003</u>		
	<u>Number of days in the taxation year</u>		x 7% = _____ <b>K</b>
<b>General tax reduction - total of amounts H, I, J and K</b>			<b>L</b>
(enter amount L on line 639 of page 7)			



**Refundable portion of Part I tax (item 103)****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 \_\_\_\_\_

**Deduct:**

Least of amounts on lines 400, 405, 410, and 425  
 on page 4 \_\_\_\_\_

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

Foreign business income tax credit from  
 line 636 on page 7 x 3 = \_\_\_\_\_

\_\_\_\_\_ X 26 2/3 % = \_\_\_\_\_ **D**

Part I tax payable minus investment tax credit refund  
 (line 700 minus line 780 on page 8) \_\_\_\_\_

Deduct corporate surtax from line 600 on page 7 \_\_\_\_\_ **E**  
 Net amount \_\_\_\_\_

**Refundable portion of Part I tax - the least of amounts C, D, and E** 450 **0 F**

**Refundable dividend tax on hand (item 104)**

Refundable dividend tax on hand at the end of the preceding tax year 460  
 Deduct dividend refund for the previous taxation year 465 \_\_\_\_\_ **A**

**Add the total of:**

Refundable portion of Part I tax from line 450 above \_\_\_\_\_

Total Part IV tax payable from line 360 on page 2 of Schedule 3 \_\_\_\_\_

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

**Refundable dividend tax on hand at the end of the taxation year - amount A plus amount B** 485 **0**

**Dividend refund (item 105)****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 on page 2 of  
 Schedule 3 \_\_\_\_\_ X 1/3 \_\_\_\_\_ **A**

Refundable dividend tax on hand at the end of the taxation year from line 485 above \_\_\_\_\_ **B**

**Dividend refund - Lesser of amounts A and B (enter this amount on line 784 on page 8)** \_\_\_\_\_ **0**

**Part I tax****Base amount of Part I tax** - 38% of taxable income (line 360 or amount Z, whichever applies)from page 3 (item 106) 550 0 **A****Corporate surtax calculation (item 107)**Base amount from line A above 1**Deduct:**10% of taxable income (line 360 or amount Z, whichever applies) from page 3 2Investment corporation deduction from line 620 below 3Federal logging tax credit from line 640 below 4Federal qualifying environment trust tax credit from line 648 below 5

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

28% of taxable income from line 360 on page 3 a28% of taxed capital gains b 6Part I tax otherwise payable  
(line A plus line C and D minus line F) cTotal of lines 2 to 6 7Net amount (line 1 minus line 7) 8**Corporate surtax** - 4% of the amount on line 8 600 BRecapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108) 602 C**Calculation for the refundable tax on Canadian-controlled private corporation's investment income**

(for a CCPC throughout the taxation year) (item 109)

Aggregate investment income from line 440 on page 6 iTaxable income from line 360 on page 3 **Deduct:**The least of amounts on lines 400, 405, 410, and  
425 on page 4 Net amount ii**Refundable tax on CCPC's investment income** - 6 2/3 % of the lesser of amounts i or ii 604 DSubtotal (add lines A, B, C, and D) E**Deduct:**Small business deduction from line 430 on page 4 9Federal tax abatement (item 110) 608Manufacturing and processing profits deduction from amount BB  
of Schedule 27 (item 111) 616Investment corporation deduction (item 112) 620(Taxed capital gains 624 )Additional deduction - credit unions from Schedule 17 (item 113) 628Federal foreign non-business income tax credit from Schedule 21 (item 114) 632Federal foreign business income tax credit from Schedule 21 (item 115) 636Accelerated tax reduction from amount N of page 4 (item 116) 637Resource deduction from line 438 of page 5 10General tax reduction for CCPC's from amount O of page 5 (item 117) 638General tax reduction from amount L of page 5 (item 117) 639Federal logging tax credit from Schedule 21 (item 118) 640Federal political contribution tax credit (item 119) 644Federal political contributions 646Federal qualifying environmental trust tax credit (item 120) 648Investment tax credit from Schedule 31 (item 121) 652Subtotal F**Part I tax payable** - Line E minus line F (enter amount G on line 700 on page 8) (item 122) 0 G

**Summary of tax and credits****Federal tax**

Part I tax payable from page 7 (item 123)	700
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704
Part II surtax tax payable from Schedule 46 (item 125)	708
Part IV tax payable from Schedule 3 (item 126)	712
Part IV.1 tax payable from Schedule 43 (item 127)	716
Part VI tax payable from Schedule 38 (item 128)	720
Part VI.1 tax payable from Schedule 43 (item 129)	724
Part XIII.1 tax payable from Schedule 92 (item 130)	727
Part XIV tax payable from Schedule 20 (item 131)	728

Total federal tax 0

**Add provincial and territorial tax**

Provincial or territorial jurisdiction (item 132) 750 ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 133) 760

Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147) 765

Total tax payable 770 0 A

**Deduct other credits**

Investment tax credit refund from Schedule 31 (items 148)	780
Dividend refund from Page 4 (items 149)	784
Federal capital gains refund from Schedule 18 (item 150)	788
Federal qualifying environmental trust tax credit refund (item 151)	792
Canadian film or video production tax credit refund from Form T1131 (item 152)	796
Film or video production services tax credit refund from Form T1177 (item 153)	797
Tax withheld at source (item 154)	800
Total payments on which tax has been withheld (item 154) 801	
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155)	804
Provincial and territorial capital gains refund from Schedule 18 (item 156)	808
Provincial and territorial refundable tax credits from Schedule 5 (item 157)	812
Royalties deductible under Syncrude Remission Order 815	
Tax remitted under Syncrude Remission Order (item 158)	816
Tax instalments paid (item 159)	840

Total credits 890 B

Refund Code 894 ☐ Overpayment (item 163)

Balance (line A minus line B) 0 I

**Direct Deposit Request (item 164)**

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.

We do not charge or refund a difference of less than \$2.

Balance unpaid (item 163)

Enclosed payment (item 162) 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 is due? (item 161)

896 1 Yes ☐ 2 No ☒ NA ☐**Certification (item 165)**

950 Enright Surname 951 Thomas First name 954 Chairman Position, office or rank

955 2005/04/22 Date 956 (519) 245-2010 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 Name 959 ( ) Telephone number

**Language of correspondence - Langue de correspondance (item 166)**990 Language of choice/Langue de choix 1 English / Anglais ☒ 2 Français / French ☐



Canada Customs  
and Revenue Agency

Agence des douanes  
et du revenu du Canada

CAPITAL COST ALLOWANCE

Schedule 8

Is the corporation electing under regulation 1101(5q)? 101 ☒ Yes ☐ No ☐

1 Class	2 UCC at start of year	3 Cost of additions in the year	4 Net adjustments	5 Proceeds of dispositions in the year	7 Adjustment for additions (1/2 x (col 3 - 5))	8 Base amount for CCA	9 Rate %	10 CCA for the year (col 8 x 9 or a lower amount)	11 Recapture of CCA	12 Terminal loss	13 UCC at the end of the year
200	201	203	205	207	211		212	217	213	215	220
1	5,144,659	297,420			148,710	5,293,369	4	205,345			5,236,734
2	3,036,107					3,036,107	6				3,036,107
8	111,390	4,504			2,252	113,642	20				115,894
10	184,948	17,361			8,681	193,628	30				202,309
Totals	8,477,104	319,285			159,643	8,636,746		205,345			8,591,044

RELATED AND ASSOCIATED CORPORATIONS

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

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

Name	Country (if not Canada)	Business # (Canadian corporation only)	Code note 1	Common shares		Preferred shares		Book value of capital stock
				# owned	% owned	# owned	% owned	
Middlesex Power Corporation	200	300	400	500	550	600	650	700
Middlesex Energy Services Corporation		88102 2925 RC 0001	1	4,631,198	100.000			4,631,198
		86965 3329 RC 0001	3					
		RC	0					
Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated								

Canada Customs  
and Revenue AgencyAgence des douanes  
et du revenu du Canada**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION****Schedule 10**

- 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 beginning of taxation year (if negative, enter nil) **200** 387,839 **A****Add:**

Cost of eligible capital property acquired during the taxation year **222**                      **B**  
 Transfer from predecessor or subsidiary corporation **224**                      **C**  
 Other adjustments **226**                      **D**  
 (add amounts B, C, and D)                      x 3/4 =                      **E**  
**Subtotal (amount A plus amount E) 230** 387,839 **F**

**Deduct:**

Proceeds of sale (less outlays and expenses) from the disposition  
 of all eligible capital property during the taxation year **242**                      **G**  
 The gross amount of a reduction in respect of a forgiven debt  
 obligation as provided for in subsection 80(7) **244**                      **H**  
 Other adjustments **246**                      **I**  
 (add amounts G, H, and I)                      x 3/4 = **248**                      **J**

**Cumulative eligible capital balance (amount F minus amount J)** 387,839 **K**  
 (if amount K is negative, enter "0" at line M and proceed to Part 2)

**Current year deduction** amount K 387,839 x 7% = **250**                      **L**  
 (Deduct amount L on line 405 of Schedule 1)

**Cumulative eligible capital balance at the end of the taxation year** **300** 387,839 **M**

**Note:** The maximum current year deduction is 7%. You can claim any amount up to the maximum. If your fiscal period starts after December 21, 2000, and is less than 365 days, prorate the calculation for line 250 by multiplying by the number of days in the year divided by 365.

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

(complete this part only if line K is negative)

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

Total of cumulative eligible capital deductions from income for  
 taxation years beginning after June 30, 1988 **400**                      **1**

Total of all amounts which reduced cumulative eligible capital  
 in the current or prior years under subsection 80 (7) **401**                      **2**

Total of cumulative eligible capital deductions claimed  
 for taxation years beginning before July 1, 1988 **402**                      **3**

Negative balances in the cumulative eligible  
 capital account that were included in income for taxation  
 years beginning before July 1, 1988 **408**                      **4**

Line 3 minus line 4                      **5**

Total of lines 1, 2, and 5                      **6**

Line T from schedule 10 of previous taxation years ending after February 27, 2000 **409**                      **7**

Line 6 minus line 7                      **O**

Line N minus line O (cannot be negative)                      **P**

Amount on line 5 X 1/2                      **Q**

Line P minus line Q                      **R**

Amount on line R X 66.6667 \*                      **S**

Lessor of line N or line O                      **T**

**Amount to be included in income on line 108 of schedule 1, line S plus line T** **410**                     

\* For taxation years ending after February 27, and before October 18, 2000, use the fraction 8/9 to calculate line S

\* For taxation years ending after October 17, 2000 use the fraction 2/3 to calculate line S

Canada Customs  
and Revenue AgencyAgence des douanes  
et du revenu du Canada**AGREEMENT AMONG ASSOCIATED CCPCs  
TO ALLOCATE THE BUSINESS LIMIT  
(2003 and later taxation years)****Schedule 23****Allocation of the business limit**Date filed (for departmental use only) **025**Enter the calendar year to which the agreement applies **050** **2003**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 ☒ 2 No

1 Names of associated corporations		2 Business Number	3 Association code
100		200	300
1	Middlesex Power Distribution Corporation	86570 1635 RC 0001	1
2	Middlesex Energy Services Corporation	86965 3329 RC 0001	1
3	Middlesex Power Corporation	88102 2925 RC 0001	1
		RC	0

Allocate business limit using: ☒ % ☐ \$

Taxation year			4 Business limit for the year (before allocation) \$			Allocating business limit		7 Year end to which this agreement applies if more than one taxation year end in a calendar year 500
			5 Percentage of the business limit (%) 350		6 Allocation of business limit * \$ 400		Provincial allocation for Alberta and Ontario (based on \$200,000)	
Start	End							
1 2003/01/01	2003/12/31	225,000	50.000	112,500	100,000			
2 2003/01/01	2003/12/31	225,000	50.000	112,500	100,000			
3 2003/01/01	2003/12/31	225,000						
TOTALS			100.000	A 225,000	200,000			

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box.

\$ 112,500

	Last taxation year ending in the preceding calendar year				Current year
	Taxable income	Grossed-up taxable income	Reduced business limit	Gross Part I.3 tax for business limit reduction	Grossed-up reduced business limit
1			100,000		112,500
2	35,979	35,979			112,500
3					
TOTALS	35,979	35,979	100,000		225,000

**SHAREHOLDER INFORMATION****Schedule 50**

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 100	Business Number * 200	Social Insurance Number * 300	Percentage common shares 400	Percentage preferred shares 500
Middlesex Power Corporation	88102 2925 RC 0001		100.000	
	RC			

\* If the shareholder is a trust, enter NR at field 200 or NA at field 300.



NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2003-12-31

For agency use

[ 055 ]

[ 001 ] 86570 1635 RC 0001

[ 060 ] 2003 01 01

[ 061 ] 2003 12 31

[ 099 ] GP15

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[ 002 ] Middlesex Power Distribution Corporation - Federal Return Only

[ 003 ] 2

[ 004 ] \_\_\_\_\_

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For agency use

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For agency use

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## NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2003-12-31

[ 031 ] @ 351 Fances Street

[ 032 ] \_\_\_\_\_

[ 035 ] Strathroy

[ 036 ] ON

[ 037 ] \_\_\_\_\_

[ 038 ] N7G 2C7

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[ 040 ]	1	[ 166 ]	_____	[ 220 ]	_____
[ 043 ]	_____	[ 167 ]	_____	[ 221 ]	_____
[ 063 ]	2	[ 168 ]	_____	[ 226 ]	_____
[ 065 ]	_____	[ 169 ]	_____	[ 227 ]	_____
[ 067 ]	2	[ 170 ]	_____	[ 231 ]	_____
[ 070 ]	2	[ 171 ]	_____	[ 232 ]	_____
[ 071 ]	2	[ 172 ]	_____	[ 233 ]	_____
[ 072 ]	2	[ 173 ]	1	[ 236 ]	_____
[ 076 ]	2	[ 201 ]	1	[ 237 ]	_____
[ 078 ]	2	[ 202 ]	_____	[ 238 ]	_____
[ 080 ]	1	[ 203 ]	_____	[ 242 ]	_____
[ 081 ]	_____	[ 204 ]	_____	[ 243 ]	_____
[ 082 ]	2	[ 205 ]	_____	[ 244 ]	_____
[ 085 ]	4	[ 206 ]	_____	[ 249 ]	_____
[ 150 ]	1	[ 207 ]	_____	[ 250 ]	_____
[ 151 ]	_____	[ 208 ]	_____	[ 251 ]	_____
[ 160 ]	1	[ 210 ]	_____	[ 252 ]	_____
[ 161 ]	_____	[ 212 ]	_____	[ 253 ]	_____
[ 162 ]	_____	[ 213 ]	_____	[ 291 ]	2
[ 163 ]	_____	[ 216 ]	_____	[ 292 ]	2
[ 164 ]	_____	[ 217 ]	_____	[ 370 ]	_____
[ 165 ]	_____	[ 218 ]	_____	[ 435 ]	_____

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Taxation Year End: 2003-12-31

[ 438 ]	_____	[ 957 ]	1
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[ 646 ]	_____	[ 959 ]	_____
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[ 918 ]	_____		
[ 990 ]	1		
	XXXXXXXXXXXXX		
[ 280 ]	2		
[ 281 ]	2		
[ 282 ]	_____		
[ 283 ]	2		
[ 284 ]	Electricity		
[ 286 ]	_____		
[ 288 ]	_____		
[ 285 ]	100		
[ 287 ]	_____		
[ 289 ]	_____		
[ 950 ]	Enright		
[ 951 ]	Thomas		
[ 954 ]	Chairman		
[ 955 ]	2005 04 25		
[ 956 ]	519 245 2010		

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2003-12-31

[ 300 ]	0	[ 440 ]	_____	[ 652 ]	_____
[ 311 ]	_____	[ 445 ]	_____	[ 700 ]	_____
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[ 313 ]	_____	[ 600 ]	_____		
[ 314 ]	_____	[ 632 ]	_____	[ 704 ]	_____
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[ 325 ]	_____	[ 780 ]	_____	[ 716 ]	_____
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[ 332 ]	_____			[ 724 ]	_____
[ 333 ]	_____	[ 460 ]	_____	[ 727 ]	_____
[ 334 ]	_____	[ 465 ]	_____	[ 728 ]	_____
[ 335 ]	_____	[ 480 ]	_____	[ 760 ]	_____
[ 340 ]	_____	[ 485 ]	_____	[ 765 ]	_____
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[ 355 ]	_____		XXXXXXXXXXXXX		XXXXXXXXXXXXX
[ 360 ]	_____				
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[ 400 ]	_____	[ 604 ]	_____	[ 792 ]	_____
[ 405 ]	_____	[ 608 ]	_____	[ 796 ]	_____
[ 410 ]	112 500	[ 616 ]	_____	[ 797 ]	_____
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NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2003-12-31

**Certification**

I, Thomas Enright, am an authorized signing officer of the corporation.

I certify that the following amounts are, to the best of my knowledge, correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return for the taxation year noted above.

Net income or (loss) for income tax purposes from

Schedule 001, or GIF1 [line 200300]	0
Part I tax payable [line 200700]	0
Part I.3 tax payable [line 200704]	0
Part II surtax payable [line 200708]	0
Part IV tax payable [line 200712]	0
Part IV.1 tax payable [line 200716]	0
Part VI tax payable [line 200720]	0
Part VI.1 tax payable [line 200724]	0
Part XIV tax payable [line 200728]	0
Net provincial and territorial tax payable [line 200760]	0
Provincial tax on large corporations [line 200765]	0

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.

2005/04/25

Date

Signature of an authorized signing officer of the  
corporation

Chairman

Position, office or  
rank

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2003-12-31

[ 600 ] \_\_\_\_\_  
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[ 700 ] 149(1)(d.6) adjustment  
[ 701 ] \_\_\_\_\_  
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[ 704 ] \_\_\_\_\_

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[ 116 ]	_____	[ 202 ]	_____	[ 219 ]	_____
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NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2003-12-31

[ 221 ]	_____	[ 300 ]	_____	[ 401 ]	_____
[ 222 ]	_____	[ 301 ]	_____	[ 402 ]	_____
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[ 294 ]	_____	[ 345 ]	_____		
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		[ 390 ]	205 345		
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			XXXXXXXXXXXXX		

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2003-12-31

[ 300 ]      1. 88102 2925 RC 0001  
              2. 86965 3329 RC 0001      \*

[ 400 ]      1. 1  
              2. 3      \*  
XXXXXXXXXXXXX

[ 100 ]      1. Middlesex Power Corporation  
              2. Middlesex Energy Services Corporation      \*

[ 200 ]      1. \_\_\_\_\_  
              2. \_\_\_\_\_      \*

[ 500 ]      1. 4 631 198  
              2. \_\_\_\_\_      \*

[ 550 ]      1. 100  
              2. \_\_\_\_\_      \*

[ 600 ]      1. \_\_\_\_\_  
              2. \_\_\_\_\_      \*

[ 650 ]      1. \_\_\_\_\_  
              2. \_\_\_\_\_      \*

[ 700 ]      1. 4 631 198  
              2. \_\_\_\_\_      \*  
XXXXXXXXXXXXX



NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2003-12-31

[ 025 ] \_\_\_\_\_

[ 050 ] 2003

[ 075 ] 2

[ 200 ] 1. 86570 1635 RC 0001

2. 86965 3329 RC 0001

3. 88102 2925 RC 0001 \*

[ 300 ] 1. 1

2. 1

3. 1 \*

[ 500 ] 1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_ \*

XXXXXXXXXXXXX

[ 350 ] 1. 50

2. 50

3. \_\_\_\_\_ \*

XXXXXXXXXXXXX

[ 400 ] 1. 112 500

2. 112 500

3. \_\_\_\_\_ \*

XXXXXXXXXXXXX

[ 100 ] 1. Middlesex Power Distribution Corporation - Federal Return Only

2. Middlesex Energy Services Corporation

3. Middlesex Power Corporation \*

XXXXXXXXXXXXX

**NAME: Middlesex Power Distribution Corporation - Federal Return Only**

**BN: 86570 1635 RC 0001**

**Taxation Year End: 2003-12-31**

[ 100 ]     1. Middlesex Power Corporation     \*

[ 200 ]     1. 88102 2925 RC 0001     \*

[ 300 ]     1. \_\_\_\_\_     \*

[ 400 ]     1. 100     \*

[ 500 ]     1. \_\_\_\_\_     \*

XXXXXXXXXXXXX

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2003-12-31

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			XXXXXXXXXXXXX
[ 1000 ]	_____		
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[ 1120 ]	352 471		
[ 1125 ]	1 282 047		
[ 1480 ]	545 168		
[ 1484 ]	57 649		
[ 1682 ]	9 606 650		
[ 1683 ]	# 1 534 623		
[ 2240 ]	215 930		
[ 2599 ]	11 572 365		
	XXXXXXXXXXXXX		
[ 2600 ]	112 840		
[ 2620 ]	2 545 663		
[ 2627 ]	214 778		
[ 2701 ]	298 208		
[ 2961 ]	321 459		
[ 3140 ]	353 625		
[ 3152 ]	4 356 925		
[ 3300 ]	156 907		
[ 3499 ]	8 360 405		
	XXXXXXXXXXXXX		
[ 3500 ]	4 631 198		
[ 3600 ]	# 1 419 238		
[ 3620 ]	3 211 960		
	XXXXXXXXXXXXX		
[ 3660 ]	# 1 150 042		

NAME: Middlesex Power Distribution Corporation - Federal Return Only

BN: 86570 1635 RC 0001

Taxation Year End: 2003-12-31

[ 0001 ] \_\_\_\_\_

[ 0002 ] \_\_\_\_\_

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[ 8519 ] 1 798 908

[ 8740 ] 308 610

[ 9369 ] # 269 196

[ 8960 ] 369 987

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[ 9284 ] 540 622

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[ 8320 ] 11 173 701

[ 8518 ] 11 173 701

[ 8670 ] 474 541

[ 8717 ] 515 862

**NAME: Middlesex Power Distribution Corporation - Federal Return Only****BN: 86570 1635 RC 0001****Taxation Year End: 2003-12-31**

[ 096 ] 1

[ 097 ] 2

[ 098 ] 1

[ 099 ] 2

[ 101 ] 1

[ 102 ] 2

[ 103 ] 2

[ 104 ] 2

[ 105 ] 2

[ 106 ] 1

[ 107 ] 1

[ 108 ] 2

[ 109 ] \_\_\_\_\_

XXXXXXXXXXXXX



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

Account No.  
**1800268**

**35**  
PX5003

MIDDLESEX POWER DISTRIBUTION CORPORATION  
C/O THOMAS ENRIGHT  
351 FRANCES ST

STRATHROY ON  
N7G 2C7

## Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998  
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD) 20031231

Payment Amount: \$ 3917.11

Taxation Year End: (YYYYMMDD) 20031231

Payment Amount: \$ 3917.11

Total Payment Enclosed: \$ 3917.11



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 2003/01/01 to 2003/12/31

MIDDLESEX POWER DISTRIBUTION CORPORATION

ASSESSMENT NO. 11

Account No.	Assessment Date (year, month, day)	Page
1800268	2005/07/18	3 of 4

Tax: Federal and Provincial PIL  
Penalty - Late Filing  
Assessment Interest  
Total Assessment Liability

12,129.00  
~~1,964.76~~  
~~1,944.10~~  
16,037.86

### SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

12,129.00CR

Sub-Total

TAXATION YEAR BALANCE DUE \*\*

12,129.00CR  
3,908.86

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

Interest to  
July 29/05 8.25  
3917.11

\*\*Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFEC). The current interest rate is 0.0191780%.

#### Tax (Re)Assessment Enquiries:

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

#### Account Billing Enquiries & Change of Address Information:

- Oshawa and Local (905) 433-6708
- Toronto (416) 820-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext 3036
- FAX (905) 433-5197

**Attachment 17**  
**2004 Revised SIMPIL Model**

## Disposition of Balance Recorded in Account 1562 Deferred PILs

Distributor	Middlesex Power Distribution Corp. - Middlesex
OEB File Number	EB-2012-0098
Filing Year	2004



	A	B	C	D	E
1	PILs TAXES - EB-2008-381				Version 2009.1
2	REGULATORY INFORMATION (REGINFO)				
3	Utility Name: Middlesex Power Distribution Corp. - Middlesex			Colour Code	
4	Reporting period: 2004			Input Cell	
5				Formula in Cell	
6	Days in reporting period:	365	days		
7	Total days in the calendar year:	365	days		
8					
9	BACKGROUND				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?	Y/N		Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?	Y/N		N	
16					
17	Is the utility a non-profit corporation?	Y/N		N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions shared among the corporate group?	OCT Y/N		N	
20		LCT Y/N		N	
21	Please identify the % used to allocate the OCT and LCT exemptions in Cells C65 & C74 in the TAXCALC spreadsheet.	OCT		100.0000%	
22		LCT		100.0000%	
23					
24	Accounting Year End	Date		31-Dec-04	
25					
26	MARR NO TAX CALCULATIONS				Regulatory
27	SHEET #7 FINAL RUD MODEL DATA				Income
28	(FROM 1999 FINANCIAL STATEMENTS)				
29	USE BOARD-APPROVED AMOUNTS				
30					
31	Rate Base (wires-only)			10,288,429	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			881,204	
42					
43	1999 return from RUD Sheet #7			18,430	18,430
44					
45	Total Incremental revenue			862,774	
46	Input: Board-approved dollar amounts phased-in				
47	Amount allowed in 2001			287,591	287,591
48	Amount allowed in 2002			287,591	287,591
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	Total Regulatory Income				593,612
55					
56	Equity			5,144,215	
57					
58	Return at target ROE			508,248	
59					
60	Debt			5,144,215	
61					
62	Deemed interest amount in 100% of MARR			372,956	
63					
64	Phase-in of interest - Year 1 (2001)			129,519	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			251,237	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			251,237	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			372,956	
71					
72					
73					

	A	B	C	D	E	F	G	H
1	<b>PILS TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial</b>		<b>M of F</b>	<b>M of F</b>	<b>Tax</b>	
2	<b>PILS DEFERRAL AND VARIANCE ACCOUNTS</b>		<b>Estimate</b>		<b>Filing</b>	<b>Filing</b>	<b>Returns</b>	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				<b>Variance</b>	<b>Variance</b>		
4	("Wires-only" business - see Tab TAXREC)				<b>K-C</b>	<b>Explanation</b>		
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Middlesex Power Distribution Corp. - Middlesex</b>							
7	<b>Reporting period: 2004</b>							
8								
9	<b>Days in reporting period:</b>	365	days				<b>Column</b>	
10	<b>Total days in the calendar year:</b>	365	days				<b>Brought</b>	
11							<b>From</b>	
12							<b>TAXREC</b>	
13			\$		\$		\$	
14	<b>II) CORPORATE INCOME TAXES</b>							
15								
16	Regulatory Net Income REGINFO E53	1	593,612		-166,429		427,183	
17								
18	<b>BOOK TO TAX ADJUSTMENTS</b>							
19	<b>Additions:</b>							
20	Depreciation & Amortization	2	457,151		37,529		494,680	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			0		0	
24	Regulatory Adjustments - increase in income	5	4,291		-4,291		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material" Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
31								
32	<b>Deductions: Input positive numbers</b>							
33	Capital Cost Allowance and CEC	7	402,922		105,202		508,124	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	251,237		13,433		264,670	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			0		0	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	<b>Items on which true-up does not apply "TAXREC 3"</b>				0		0	
49								
50	TAXABLE INCOME/ (LOSS)		400,895		(251,826)	Before loss C/F	149,069	
51								
52	<b>BLENDED INCOME TAX RATE</b>							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	34.12%		-15.4998%		18.62%	
54								
55	<b>REGULATORY INCOME TAX</b>		136,785		-109,028	Actual	27,757	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	<b>Total Regulatory Income Tax</b>		136,785		-109,028	Actual	27,757	
61								
62								
63	<b>II) CAPITAL TAXES</b>							
64								
65	<b>Ontario</b>							
66	Base	15	10,288,429		-1,225,030		9,063,399	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-1,777,160		3,222,840	
68	Taxable Capital		5,288,429		-3,002,190		5,840,559	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		15,865		1,656	Overpaid	17,522	
73								
74	<b>Federal Large Corporations Tax</b>							
75	Base	18	10,288,429		-10,288,429			
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		40,000,000		50,000,000	
77	Taxable Capital		288,429		29,711,571		0	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		649		-649		0	
82	Less: Federal Surtax 1.12% x Taxable Income	21	4,490		-4,490		0	
83								
84	Net LCT		0		3,841		0	
85								

	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	ITEM	Initial		M of F	M of F	Tax	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>		Estimate		Filing	Filing	Returns	
3	<b>TAX CALCULATIONS (TAXCALC)</b>				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5		0					Version 2009.1	
6	Utility Name: Middlesex Power Distribution Corp. - Middlesex							
7	Reporting period: 2004							
8								
9	Days in reporting period:	365	days				Column	
10	Total days in the calendar year:	365	days				Brought	
11							From	
12			\$		\$		TAXREC	
13							\$	
14								
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	A	B	C	D	E	F	G	H
1	<b>PILs TAXES - EB-2008-381</b>	<b>ITEM</b>	<b>Initial Estimate</b>		<b>M of F Filing Variance K-C</b>	<b>M of F Filing Variance Explanation</b>	<b>Tax Returns</b>	
2	<b>PILs DEFERRAL AND VARIANCE ACCOUNTS</b>							
3	<b>TAX CALCULATIONS (TAXCALC)</b>							
4	("Wires-only" business - see Tab TAXREC)							
5		0					<b>Version 2009.1</b>	
6	<b>Utility Name: Middlesex Power Distribution Corp. - Middlesex</b>							
7	<b>Reporting period: 2004</b>							
8								
9	<b>Days in reporting period:</b>	365	days				<b>Column Brought From TAXREC</b>	
10	<b>Total days in the calendar year:</b>	365	days					
11								
12								
13			\$		\$		\$	
150	<b>Ontario Capital Tax</b>							
151	Base				=	10,288,429		
152	Less: Exemption from tab Tax Rates, Table 2, cell C39				-	5,000,000		
153	Revised deemed taxable capital				=	5,288,429		
154								
155	Rate - Tab Tax Rates cell C54				x	0.3000%		
156								
157	Revised Ontario Capital Tax				=	15,865		
	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)				-	15,865		
158					=	0		
159	Regulatory Ontario Capital Tax Variance							
160								
161	<b>Federal LCT</b>							
162	Base				=	10,288,429		
163	Less: Exemption from tab Tax Rates, Table 2, cell C40				-	50,000,000		
164	Revised Federal LCT				=	(39,711,571)		
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51					0.2000%		
167								
168	Gross Amount					0		
169	Less: Federal surtax				-	0		
170	Revised Net LCT				=	0		
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C82)				-	0		
173	Regulatory Federal LCT Variance				=	0		
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)					17.50%		
176								
177	<b>Income Tax (grossed-up)</b>				+	(75,318)		
178	<b>LCT (grossed-up)</b>				+	0		
179	<b>Ontario Capital Tax</b>				+	0		
180								
181	<b>DEFERRAL ACCOUNT VARIANCE ADJUSTMENT</b>				=	(75,318)		
182								
183	<b>TRUE-UP VARIANCE (from cell I130)</b>				+	(968)		
184								
185	<b>Total Deferral Account Entry (Positive Entry = Debit)</b>				=	(76,287)		
186	(Deferral Account Variance + True-up Variance)							
187								
188								
189								
190	<b>V) INTEREST PORTION OF TRUE-UP</b>							
191	<b>Variance Caused By Phase-in of Deemed Debt</b>							
192								
193	Total deemed interest (REGINFO)					372,956		
194	Interest phased-in (Cell C36)					251,237		
195								
196	Variance due to phase-in of debt component of MARR in rates according to the Board's decision					121,719		
197								
198								
199	<b>Other Interest Variances (i.e. Borrowing Levels Above Deemed Debt per Rate Handbook)</b>							
200	Interest deducted on MoF filing (Cell K36+K41)					264,670		
201	Total deemed interest (REGINFO CELL D61)					372,956		
202								
203								
204	Variance caused by excess debt					0		
205								
206	<b>Interest Adjustment for Tax Purposes (carry forward to Cell I110)</b>					0		
207								
208	<b>Total Interest Variance</b>					121,719		
209								
210								

	A	B	C	D	E	F
1	PILs TAXES - EB-2008-381	LINE	M of F	Non-wires	Wires-only	
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
4			Return			
5		0			Version 2009.1	
6	<b>Section A: Identification:</b>					
7	Utility Name: Middlesex Power Distribution Corp. - Middlesex					
8	Reporting period: 2004					
9	Taxation Year's start date:					
10	Taxation Year's end date:					
11	Number of days in taxation year:		365	days		
12						
13	Please enter the Materiality Level :		0	< - enter materiality level		
14	(0.25% x Rate Base x CER)	Y/N	Y			
15	(0.25% x Net Assets)	Y/N	N			
16	Or other measure (please provide the basis of the amount)	Y/N	N			
17	Does the utility carry on non-wires related operation?	Y/N	N			
18	(Please complete the questionnaire in the Background questionnaire worksheet.)					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	<b>Section B: Financial statements data:</b>					
23	<i>Input unconsolidated financial statement data submitted with Tax returns.</i>					
24	<i>The actual categories of the income statements should be used.</i>					
25	<i>If required please change the descriptions except for amortization, interest expense and provision for income tax</i>					
26						
27	<i>Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts</i>					
28	<i>in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.</i>					
29						
30	<b>Income:</b>					
31	Energy Sales	+	11,643,832		11,643,832	
32	Distribution Revenue	+	1,916,573		1,916,573	
33	Other Income	+	234,585		234,585	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	<b>Costs and Expenses:</b>					
39	Cost of energy purchased	-	11,643,832		11,643,832	
40	Administration	-	476,402		476,402	
41	Customer billing and collecting	-	461,280		461,280	
42	Operations and maintenance	-	291,613		291,613	
43	Amortization	-	494,680		494,680	
44	Ontario Capital Tax	-			0	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	Net Income Before Interest & Income Taxes EBIT	=	427,183	0	427,183	
51	Less: Interest expense for accounting purposes	-	264,670		264,670	
52	Provision for payments in lieu of income taxes	-	39,933		39,933	
53	Net Income (loss)	=	122,580	0	122,580	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )					
55						
56	<b>Section C: Reconciliation of accounting income to taxable income</b>					
57	<b>From T2 Schedule 1</b>					
58	<b>BOOK TO TAX ADDITIONS:</b>					
59	Provision for income tax	+	39,933	0	39,933	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	494,680	0	494,680	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	0	0	0	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	Items on which true-up does not apply "TAXREC 3"		0	0	0	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	Subtotal		534,613	0	534,613	
71						
72	Other Additions: (Please explain the nature of the additions)					
73	Recapture of CCA	+			0	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4			<b>Return</b>			
5		0			Version 2009.1	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+			0	
77		+			0	
78		+			0	
79		+			0	
80	Total Other Additions	=	0	0	0	
81						
82	Total Additions	=	534,613	0	534,613	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	Total Other additions >materiality level		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	480,975		480,975	
98	Cumulative eligible capital deduction	-	27,149		27,149	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	Regulatory adjustments :	-			0	
102	CCA	-			0	
103	other deductions	-			0	
104	Tax reserves - end of year	-	0	0	0	
105	Reserves from financial statements- beginning of year	-	0	0	0	
106	Contributions to deferred income plans	-			0	
107	Contributions to pension plans	-			0	
108	Items on which true-up does not apply "TAXREC 3"		0	0	0	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	508,124	0	508,124	
114	Other deductions (Please explain the nature of the deductions)					
115	Charitable donations - tax basis	-			0	
116	Gain on disposal of assets	-			0	
117		-			0	
118		-			0	
119		-			0	
120	Total Other Deductions	=	0	0	0	
121						
122	Total Deductions	=	508,124	0	508,124	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	Total Other Deductions exceed materiality level		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	149,069	0	149,069	
135	DEDUCT:					
136	Non-capital loss applied	-			0	
137	Net capital loss applied	-			0	
138					0	
139	NET TAXABLE INCOME	=	149,069	0	149,069	
140						
141	FROM ACTUAL TAX RETURNS					
142	Net Federal Income Tax (Must agree with tax return)	+	19,558		19,558	

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	<b>LINE</b>	<b>M of F</b>	<b>Non-wires</b>	<b>Wires-only</b>	
2	<b>TAX RETURN RECONCILIATION (TAXREC)</b>		<b>Corporate</b>	<b>Eliminations</b>	<b>Tax</b>	
3	(for "wires-only" business - see s. 72 OEB Act)		<b>Tax</b>		<b>Return</b>	
4			<b>Return</b>			
5		0			<b>Version 2009.1</b>	
143	Net Ontario Income Tax (Must agree with tax return)	+	8,199		8,199	
144	Subtotal	=	27,757	0	27,757	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-			0	
146	<b>Total Income Tax</b>	=	27,757	0	27,757	
147						
148	<b>FROM ACTUAL TAX RETURNS</b>					
149	Net Federal Income Tax Rate (Must agree with tax return)		13.12%		13.12%	Divide federal
150	Net Ontario Income Tax Rate (Must agree with tax return)		5.50%		5.50%	Divide Ontario
151	Blended Income Tax Rate		18.62%	*****	18.62%	
152						
153	<b>Section F: Income and Capital Taxes</b>					
154						
155	<b>RECAP</b>					
156	Total Income Taxes	+	27,757	0	27,757	
157	Ontario Capital Tax	+	17,522		17,522	
158	Federal Large Corporations Tax	+			0	
159						
160	<b>Total income and capital taxes</b>	=	45,279	0	45,279	
161						
162						

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5		0			Version 2009.1	
6						
7	<b>Utility Name: Middlesex Power Distribution Corp. - Middlesex</b>					
8	<b>Reporting period: 2004</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total</b> (carry forward to the TAXREC worksheet)		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total</b> (carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts				0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	OPEB				0	
48	Other - Please describe				0	
49	Other - Please describe				0	
50					0	
51	<b>Total</b> (carry forward to the TAXREC worksheet)		0	0	0	
52						
53	<b>End of Year:</b>					
54					0	
55					0	
56	Environmental				0	
57	Allowance for doubtful accounts				0	
58	Inventory obsolescence				0	
59	Property taxes				0	
60	OPEB				0	
61					0	
62					0	
63	Insert line above this line					
64	<b>Total</b> (carry forward to the TAXREC worksheet)		0	0	0	
65						
66						
67						



	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Middlesex Power Distribution Corp. - Middlesex</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+				0
18	Gain on sale of eligible capital property	+				0
19	Loss on disposal of assets	+				0
20	Charitable donations (Only if it benefits ratepayers)	+				0
21	Taxable capital gains	+				0
22		+				0
23	Scientific research expenditures deducted	+				0
24	per financial statements	+				0
25	Capitalized interest	+				0
26	Soft costs on construction and renovation of buildings	+				0
27	Capital items expensed	+				0
28	Debt issue expense	+				0
29	Financing fees deducted in books	+				0
30	Gain on settlement of debt	+				0
31	Interest paid on income debentures	+				0
32	Recapture of SR&ED expenditures	+				0
33	Share issue expense	+				0
34	Write down of capital property	+				0
35	Amounts received in respect of qualifying environment trust	+				0
36	Provision for bad debts	+				0
37		+				0
38		+				0
39		+				0
40	Other Additions: (please explain in detail the nature of the item)	+				0
41		+				0
42		+				0
43		+				0
44		+				0
45		+				0
46	<b>Total Additions</b>	=	0	0		0
47						
48	<b>Recap of Material Additions:</b>					
49			0	0		0
50			0	0		0
51			0	0		0
52			0	0		0
53			0	0		0
54			0	0		0
55			0	0		0
56			0	0		0
57			0	0		0
58			0	0		0
59			0	0		0
60			0	0		0
61			0	0		0
62			0	0		0
63			0	0		0
64			0	0		0
65			0	0		0
66			0	0		0
67			0	0		0
68			0	0		0
69			0	0		0
70			0	0		0
71			0	0		0
72			0	0		0
73			0	0		0
74			0	0		0
75			0	0		0
76			0	0		0

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Middlesex Power Distribution Corp. - Middlesex</b>					
9	<b>Reporting period: 2004</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
77			0	0	0	
78						
79	Total Material additions		0	0	0	
80	Other additions less than materiality level		0	0	0	
81	Total Additions		0	0	0	
82						
83	Deduct:					
84	Gain on disposal of assets per f/s	-			0	
85	Dividends not taxable under section 83	-			0	
86	Terminal loss from Schedule 8	-			0	
87	Depreciation in inventory, end of prior year	-			0	
88	Scientific research expenses claimed in year from Form T661	-			0	
89	Bad debts	-			0	
90	Book income of joint venture or partnership	-			0	
91	Equity in income from subsidiary or affiliates	-			0	
92	Contributions to a qualifying environment trust	-			0	
93	Other income from financial statements	-			0	
94		-				
95		-			0	
96		-			0	
97	Other deductions: (Please explain in detail the nature of the item)	-			0	
98		-			0	
99		-			0	
100		-			0	
101		-			0	
102	Total Deductions	=	0	0	0	
103						
104	Recap of Material Deductions:					
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119			0	0	0	
120			0	0	0	
121			0	0	0	
122	Total Deductions exceed materiality level		0	0	0	
123	Other deductions less than materiality level		0	0	0	
124	Total Deductions		0	0	0	
125						
126						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	Wires-only	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	Tax	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
7		0	Return			
8	Utility Name: Middlesex Power Distribution Corp. - Middlesex				Version 2009.1	
9						
10						
11	Reporting period: 2004					
12	Number of days in taxation year:		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>	+			0	
36	Interest and penalties on unpaid taxes	+			0	
37	Management bonuses unpaid after 180 days of year end	+			0	
38	Imputed interest expense on Regulatory Assets	+			0	
39		+			0	
40	<b>Ontario capital tax adjustments</b>	+			0	
41	<b>Changes in Regulatory Asset balances</b>	+			0	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44		+			0	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	0	0	0	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
65		-			0	
66	<b>Changes in Regulatory Asset balances</b>	-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2008-381</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>		LINE	M of F	Non-wires	<b>Wires-only</b>
5	<b><u>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</u></b>			Corporate	Eliminations	<b>Tax</b>
6	(for "wires-only" business - see s. 72 OEB Act)			Tax		<b>Return</b>
7			0	Return		
8	Utility Name: Middlesex Power Distribution Corp. - Middlesex					<b>Version 2009.1</b>
9						
10						
11	Reporting period: 2004					
12	Number of days in taxation year:		365			
13						
14						
69			-			0
70			-			0
71			-			0
72			-			0
73	<b>Total Deductions on which true-up does not apply</b>		=	0	0	0
74						
75						
76						

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2008-381						
2	Corporate Tax Rates			Version 2009.1			
3	Exemptions, Deductions, or Thresholds						
4	Utility Name: Middlesex Power Distribution Corp. - Middlesex						
5	Reporting period: 2004						
6							
7							
8	Rates Used in 2002 RAM PILs Applications for 2002					Table 1	
9	Income Range		0		200,001		
10	RAM 2002		to		to	>700,000	
11		Year	200,000		700,000		
12	Income Tax Rate						
13	Proxy Tax Year	2002					
14	Federal (Includes surtax)		13.12%		26.12%	26.12%	
15	and Ontario blended		6.00%		6.00%	12.50%	
16	Blended rate		19.12%		34.12%	38.62%	
17							
18	Capital Tax Rate		0.300%				
19	LCT rate		0.225%				
20	Surtax		1.12%				
21	Ontario Capital Tax Exemption **	MAX \$5MM	5,000,000				
22	Federal Large Corporations Tax Exemption **	MAX \$10MM	10,000,000				
23	**Exemption amounts must agree with the Board-approved 2002 RAM PILs filing						
24							
25							
26	Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004						
27	Income Range		0	250,001	400,001		
28	Expected Rates		to	to	to	>1,128,000	
29		Year	250,000	400,000	1,128,000		
30	Income Tax Rate						
31	Current year	2004					
32	Federal (Includes surtax)		13.12%	22.12%	22.12%	22.12%	
33	Ontario		5.50%	5.50%	9.75%	14.00%	
34	Blended rate		18.62%	27.62%	31.87%	36.12%	
35							
36	Capital Tax Rate		0.300%				
37	LCT rate		0.200%				
38	Surtax		1.12%				
39	Ontario Capital Tax Exemption *** 2004	MAX \$5MM	5,000,000				
40	Federal Large Corporations Tax Exemption *** 2004	MAX \$50MM	50,000,000				
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.						
42							
43							
44	Input Information from Utility's Actual 2004 Tax Returns					Table 3	
45	Income Range		0	250,001	400,001		
46			to	to	to	>1,128,000	
47		Year	250,000	400,000	1,128,000		
48	Income Tax Rate						
49	Current year	2004					
50	Federal (Includes surtax)		13.12%	22.12%	22.29%	22.12%	
51	Ontario		5.50%	5.50%	13.77%	14.00%	
52	Blended rate		18.62%	27.62%	36.06%	36.12%	
53							
54	Capital Tax Rate		0.300%				
55	LCT rate		0.200%				
56	Surtax		1.12%				
57	Ontario Capital Tax Exemption *	MAX \$5MM	3,222,840				
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	50,000,000				
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36						
60							
61							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2008-381														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Middlesex Power Distribution Corp. - Middlesex													Version 2009.1	
4	Reporting period: 2004													0	
5	Sign Convention: + for increase; - for decrease														
6															
7															
8	Year start:		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	Year end:		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	Opening balance:	=	0		0		0		0		-76,287		-76,287		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-													0
14	True-up Variance Adjustment Q4, 2001 (2)	+/-													0
16	True-up Variance Adjustment (3)	+/-							-968						-968
18	Deferral Account Variance Adjustment Q4, 2001 (4)														0
20	Deferral Account Variance Adjustment (5)	+/-							-75,318						-75,318
22	Adjustments to reported prior years' variances (6)	+/-													0
23	Carrying charges (7)	+/-													0
25	PILs billed to (collected from) customers (8)	-	0												0
26															
27	Ending balance: # 1562		0		0		0		-76,287		-76,287		-76,287		-76,287
28															
29															
30															
31	Uncollected PILs														
32															
33	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
34	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
35															
36	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:														
37															
38	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
39	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
40	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
41	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
42	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
43	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
44	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
45	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
46															
47	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
48	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
49															
50	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
51	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
52															
53	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
54	trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
55															
56	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
57	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
58															
59	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
60															
61	(7) Carrying charges are calculated on a simple interest basis.														
62															
63	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
64	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
65	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
66	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
67															
68	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
69	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
70	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
71															
72	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
73	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
74															
75	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
76	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
77	to calculate the recovery for the period January 1 to March 31, 2005.														
78															
79	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
80	will have to include amounts from 1562 and from 1590.														

**Attachment 18**  
**2004 Financial Statements**

**MIDDLESEX POWER DISTRIBUTION CORPORATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2004**



AUDITOR'S REPORT

To the Shareholders and Board of Directors:

I have audited the statement of financial position of the Middlesex Power Distribution Corporation as at December 31, 2004 and the statements of operations, retained earnings and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Middlesex Power Distribution Corporation as at December 31, 2004 and the results of its operations and changes in financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

May 16, 2005  
London, Canada

*Christene Scrimgeour*  
CHARTERED ACCOUNTANT

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2004**

(with comparative figures as at December 31, 2003)

	<b><u>2 0 0 4</u></b>	<b><u>2 0 0 3</u></b>
<b>ASSETS</b>		
Current		
Cash and short term investments	\$ 803,765	
Accounts receivable	1,187,320	\$ 1,047,073
Due from Township of Strathroy-Caradoc - Water Department		215,930
Unbilled revenue	1,510,149	1,282,047
Inventory	361,747	352,471
Prepaid expenses	<u>56,975</u>	<u>57,649</u>
	<u>3,919,956</u>	<u>2,955,170</u>
Capital - at cost		
Distribution plant	7,769,885	7,530,983
General plant	<u>2,098,653</u>	<u>2,075,667</u>
	9,868,538	9,606,650
Less accumulated amortization	<u>2,036,416</u>	<u>1,534,623</u>
	<u>7,832,122</u>	<u>8,072,027</u>
Other assets		
Deferred assets (note 2)	<u>305,387</u>	<u>552,466</u>
	<u>305,387</u>	<u>552,466</u>
Total assets	<u>\$ 12,057,465</u>	<u>\$ 11,579,663</u>
<b>LIABILITIES AND EQUITY</b>		
Current		
Bank overdraft (note 11)		\$ 112,840
Bank loan (note 5)	\$ 256,108✓	298,208
Accounts payable and accrued liabilities	2,514,187	2,552,961
Due to Township of Strathroy-Caradoc - Water Department	512,906	
Due to Middlesex Energy Services Corporation	232,969	156,907
Customers' deposits	<u>110,000</u>	<u>88,000</u>
	<u>3,626,170</u>	<u>3,208,916</u>
Long term		
Long-term debt (note 6)	266,500✓	353,625
Promissory notes payable (note 7)	4,356,925✓	4,356,925
Employee future benefits (note 10)	206,747	214,778
Customers' deposits	<u>266,583</u>	<u>233,459</u>
	<u>5,096,755</u>	<u>5,158,787</u>
Total liabilities	<u>8,722,925</u>	<u>8,367,703</u>
Shareholder's Equity		
Common shares (note 8)	4,631,198✓	4,631,198
Accumulated net earnings (deficit) - Statement 2	<u>(1,296,658)✓</u>	<u>(1,419,238)</u>
	<u>3,334,540</u>	<u>3,211,960</u>
Total liabilities and shareholder's equity	<u>\$ 12,057,465</u>	<u>\$ 11,579,663</u>

The accompanying notes are an integral part of this financial statement.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**STATEMENT OF RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(with comparative figures for the year ended December 31, 2003)

	<b><u>2004</u></b>	<b><u>2003</u></b>
Accumulated net earnings (deficit), beginning of year	\$(1,419,238)	\$(1,150,042)
Net earnings (loss) for the year - Statement 3	<u>122,580</u>	<u>(269,196)</u>
Accumulated net earnings (deficit), end of year	<u><u>\$(1,296,658)</u></u>	<u><u>\$(1,419,238)</u></u>

The accompanying notes are an integral part of this financial statement.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(with comparative figures for the year ended December 31, 2003)

	<b><u>2 0 0 4</u></b>	<b><u>2 0 0 3</u></b>
<b>Service revenue</b>		
Residential	\$ 5,409,676	\$ 4,793,791
General	6,333,419	6,709,773
Commercial and industrial	1,707,959	1,354,858
Street lighting	<u>109,351</u>	<u>114,187</u>
	13,560,405	12,972,609
<b>Cost of power</b>	<u>11,643,832</u>	<u>11,173,701</u>
<b>Gross margin on service revenue</b>	<u>1,916,573</u>	<u>1,798,908</u>
<b>Expenditures</b>		
Administration and general	476,402	540,622
Customers' billing and collecting	461,280	515,862
Distribution expenses - operations	81,638	90,430
Distribution expenses - maintenance	209,975	369,987
Amortization (note 1)	494,680	474,541
Interest	<u>264,670</u>	<u>308,610</u>
	<u>1,988,645</u>	<u>2,300,052</u>
Net operating revenue (loss)	<u>(72,072)</u>	<u>(501,144)</u>
Other revenue (expenditures)		
Interest, late payment and miscellaneous charges	<u>234,585</u>	<u>231,948</u>
Net earnings (loss) for the year before corporate taxes	162,513	(269,196)
Provision for corporate taxes (note 9)	<u>39,933</u>	<u>          </u>
<b>Net earnings (loss) for the year</b>	<b><u>\$ 122,580</u></b>	<b><u>\$ (269,196)</u></b>

The accompanying notes are an integral part of this financial statement.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

(with comparative figures for the year ended December 31, 2003)

	<b><u>2 0 0 4</u></b>	<b><u>2 0 0 3</u></b>
Operating activities		
Net earnings (loss) for the year	\$ 122,580	\$ (269,196)
Charges (credits) not involving cash		
Amortization	494,680	474,541
Net change in non-cash working capital balances related to operations (A)	<u>429,084</u> <u>1,046,344</u>	<u>302,926</u> <u>508,271</u>
Investing activities		
Capitalization (realization) of transition costs	254,261	(106,486)
Capital asset acquisitions (net of dispositions)	<u>(254,775)</u> (514)	<u>(216,983)</u> (323,469)
Financing activities		
Repayment of long-term debt	<u>(87,125)</u> <u>(87,125)</u>	<u>(87,125)</u> <u>(87,125)</u>
Change in cash during the year	958,705	97,677
Cash (bank indebtedness), beginning of year	<u>(411,048)</u>	<u>(508,725)</u>
Cash (bank indebtedness), end of year	\$ <u><u>547,657</u></u>	\$ <u><u>(411,048)</u></u>

(A) Consists of changes in accounts receivable, unbilled revenue, inventory, prepaid expenses, customers' deposits, employee future benefits and accounts payable.

The accompanying notes are an integral part of this financial statement.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

Middlesex Power Distribution Corporation was incorporated in Ontario on April 11, 2000 to distribute electrical power in accordance with Section 144 of the Electricity Act, 1998.

The Corporations of the Town of Strathroy, the Township of Caradoc and the Town of Parkhill passed bylaws transferring the assets and liabilities of their respective Hydro Electric Commissions effective November 1, 2000 to Middlesex Power Distribution Corporation.

1. Significant accounting policies

The Corporation's financial statements have been prepared in accordance with Canadian accounting principles for Electric Utilities as prescribed by the Ontario Energy Board. All principles employed are in accordance with the generally accepted accounting principles.

Accounts receivable

Accounts receivable are shown net of an allowance for doubtful accounts of \$ 45,000 (2003 - \$ 81,000).

Inventories

Inventories consist of material and supplies purchased for future use and are valued at cost using the average cost method.

Capital assets and amortization

Capital assets are amortized on a straight line basis over their anticipated useful lives as determined by the Ontario Energy Board. Capital assets include transformers which are in inventory as prescribed by the Ontario Energy Board.

Revenue Recognition

Revenue is recorded using the accrual basis of accounting and is based on regular meter readings and estimates of customer usage since the last meter reading date to the end of the year.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

2. Deferred assets

Deferred assets include transition costs of \$ 199,829 (2003 - \$ 186,100) and retailer settlement variance accounts of \$ 91,078 (2003 - \$ 359,068). The transition costs were incurred in order to prepare the Corporation for the deregulated electricity industry, which opened May 1, 2002. The retailer settlement variance accounts are the difference between the revenue and the costs for the commodity and transmission services.

The Ontario Energy Board has approved an interim recovery of the deferred assets at March 2004. The Corporation has received \$ 213,315 (2003 - \$ NIL) from the customers since March 2004. It is management's belief that they will be able to recover all of these costs through rates over the next few years.

3. Pension agreements

The Corporation makes contributions to the Ontario Municipal Employees Retirement Savings Pension Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a contributory defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2004 is \$ 41,976 (2003 \$ 7,418).

4. Class action lawsuit

A class action claiming \$500 million in restitutionary payments plus interest was served on Toronto Hydro on November 18, 1998. The action was initiated against Toronto Hydro Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged Late Payment charges on overdue utility bills at any time after April 1, 1981. The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under Section 347(1)(b) of the Criminal Code. The Electricity Distributors Association is undertaking the defense of this class action. At this time it is not possible to quantify the effect, if any, on the financial statements of the Corporation.

5. Bank loan

The Corporation has a demand instalment loan of \$ 256,108 (2003 - \$ 298,208) which is repayable over the next six years at monthly payments of \$3,508 plus interest which is 1% over prime.

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

6. Long-term debt

The Corporation owes the Township of Strathroy Caradoc at December 31, 2004 \$ 266,500 (2003 - \$ 353,625). The loan bears an interest rate of 6.82% and the interest is repayable on April 4 and October 4 of each year. Principal repayments will be made over the next five years as follows:

2005 to 2007	\$ <u>266,500</u>
--------------	-------------------

7. Promissory notes

The former Corporations of the Town of Strathroy, the Township of Caradoc and the Town of Parkhill were issued interest bearing promissory notes payable at the Bank of Canada prime lending rate which was 6% at November 1, 2000. These notes are renewable every year at November 1 at the effective Bank of Canada prime rate. The former Town of Parkhill cashed their promissory note in 2000.

8. Stated capital

The share capital of the Corporation consists of the following:

Authorized

- Unlimited number of Class A preference shares without par value
- Unlimited number of Class B preference shares without par value
- Unlimited number of voting common shares without par value

Issued

- 4,631,198 voting common shares	\$ <u>4,631,198</u>
----------------------------------	---------------------

9. Corporate taxes

The Corporation is exempt from Federal income taxes pursuant to Part 1, Division D, subsection 149(d.6) of the Canadian Income Tax Act and from Ontario income and capital taxes pursuant to Part II, Division G, subsection 57(1) and Part III, Division D, subsection 71(1), respectively, of the Ontario Corporations Tax Act until September 30, 2001 when Section 93 of the Electricity Act was enacted.

Subsections 93(1) and (2) of Part V1 of the Electricity Act (Ontario) requires a municipal electricity utility that is exempt from Federal and Ontario income and capital taxes, pursuant to the provisions above, to make special payments in lieu of taxes computed as if the municipal electricity utility were subject to tax under the Federal and Ontario corporate tax regimes. The Corporation is subject to these payments in lieu of corporate income taxes.



**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

10. Post employment benefit

The Corporation is liable for providing certain life insurance benefits for its retirees until their date of death. In accordance with the requirements of the Canadian Institute of Chartered Accountants, the present value of these benefits are to be accrued in these financial statements. The Corporation received an actuarial's evaluation of this liability in 2004 and has accrued \$206,747 (2003 - \$ 214,778).

11. Commitment

The Corporation has contracted with another Local Distribution Company, by way of a letter of agreement, to provide the Corporation with certain management, human resources, financial, regulatory, customer support and engineering support services for an undetermined period of time.

The Corporation, in order to obtain the electricity it requires to distribute to its customers, is required to provide security to the Independent Electricity Market Operator based on its usage as of May 1, 2002. The security obtained was a letter of credit from a financial institution for \$1,683,492 and was not utilized as at December 31, 2004.

The Corporation has an available line of credit from a financial institution for \$ 1,500,000. As at December 31, 2004, there was \$ NIL (2003 - \$ 112,840) outstanding. The line of credit carries an interest rate of prime plus 1%.

12. Subsequent event

The Corporation and its shareholders have signed a letter of intent to sell the shares of the Corporation to another Local Distribution Company. It is expected that the transaction will receive Ontario Energy Board approval by June 2005.

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**Attachment 19**  
**2004 Tax Returns**



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)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. 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).

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.

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

☒ Yes ☐ No

Page 1 of 24

Ministry Use  
**COPY**

Corporation's Legal Name (including punctuation)  
Middlesex Power Distribution Corporation

Ontario Corporations Tax Account No. (MOF)  
1800268

Mailing address

351 Frances Street

City  
Strathroy

Province  
ON

Country  
CA

Postal code  
N7G 2C7

This CT23 Return covers the Taxation Year

Start 2004/01/01

End 2004/12/31

Has the mailing address changed  
since last filed CT23 Return?

☐ Yes

Date of change

Date of Incorporation or Amalgamation

2000/04/11

Registered/Head Office Address  
351 Frances Street

City  
Strathroy

Province  
ON

Country  
CA

Postal code  
N7G 2C7

Ontario

Corporation No. 1800268  
(MCBS)

Location of Books and Records  
351 Frances Street

City  
Strathroy

Province  
ON

Country  
CA

Postal code  
N7G 2C7

Canada Customs and Revenue Agency  
Business No.

865701635RC0001

Name of person to contact regarding this CT23 Return  
Thomas Enright

Telephone No.  
(519) 245-2010

Fax No.  
(519) 245-5384

Jurisdiction  
Incorporated

Ontario

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

(MCBS)

City

Province

Country

Postal code

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

Commenced

Ceased

☒ Not Applicable

Former Corporation Name (Extra-Provincial Corporations only)

☐ Not applicable

(MCBS)

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

No. of Schedule(s)

0

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

Preferred Language / Langue de préférence

☒ English  
anglais

☐ French  
français

Ministry Use



## Certification (MCBS)

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

Name of Authorized Person

Thomas Enright

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.

Taxation Year End

**Exempt From Filing (EFF)  
Corporations Tax Return Declaration**

Page 2 of 24

Corporation's Legal Name

Ontario Corporations Tax Account No. (MOF)

I, \_\_\_\_\_ declare that:

The above corporation satisfies **all** of the exempt from filing criteria (a) through (f) below for the taxation year and therefore qualifies under the *Corporations Tax Act* as exempt from filing an Ontario Corporations Tax Return.

**Criteria for exempt from filing status:**

- |  |   |
|--|---|
| <p>a) has filed a federal income tax return (T2) with Canada Customs and Revenue Agency for the taxation year;</p> <p>b) had no Ontario taxable income for the taxation year (subject to the provisions in NOTE 2 below);</p> <p>c) had no Ontario Corporations Tax payable for the taxation year;</p> | <p>d) was a Canadian-controlled private corporation throughout the taxation year (i.e. generally a private corporation with 50% or more shares owned by Canadian residents as defined by the <i>Income Tax Act</i> (Canada));</p> <p>e) had provided its Canada Customs and Revenue Agency business number to the Ministry of Finance, Corporations Tax Branch; and</p> <p>f) is NOT subject to the Corporate Minimum Tax (i.e. alone or as part of an associated group whose total assets exceed \$5 million or whose total revenues exceed \$10 million for the taxation year).</p> |
|--|---|

Signature

Title/Relationship to Corporation

Telephone number

Date

Please note that making a false statement to avoid compliance with the *Corporations Tax Act* is an offence which can result in a penalty and/or fine.

**NOTE 1: Filing of this declaration and the Annual Return does not constitute the filing of a Corporations Tax Return under section 75 of the *Corporations Tax Act*.**

**NOTE 2:** The following loss situations will require otherwise EFF corporations to file a CT23 tax return complete with all related schedules and financial statements:

1. If a corporation has a loss in the current taxation year that is to be carried back and applied to a previous taxation year(s), regardless of whether the loss is the same as for federal purposes or not, a CT23 tax return is required for the current taxation year. The corporation must also provide information indicating that the loss is to be carried back and specify the year and the amount of loss to be carried back to each taxation year.

2. If a corporation has a prior year loss, that is not the same for both federal and Ontario purposes and the corporation is applying a loss carryforward from the prior year to the current year, a CT23 tax return is required for the current taxation year, and if not previously filed, a CT23 tax return for the prior taxation year in which the loss was incurred is also required. Although a tax return for the loss year is not required where the loss is not being applied, the Corporations Tax Branch will accept the filing of a tax return for a loss year at the time the loss is incurred.
3. If a corporation has a prior year loss, that is the same for both federal and Ontario purposes, but in the current taxation year the corporation is applying a different amount of loss for Ontario than the loss amount being applied for federal income tax purposes, the corporation is required to file a CT23 tax return for the current taxation year only.

The following 3 items **MUST** be completed if the EFF declaration only is being submitted at this time. In cases where the annual return, which includes page 1, is also being filed, completion of these fields is NOT necessary.

**1. Corporation's Mailing Address**

City

Province

Country

Postal code

2. Ontario Corporation  
No. (MCBS)3. Canada Customs and Revenue Agency  
Business No.

RC

A corporation must file an **Exempt From Filing Corporations Tax Return Declaration** form for each taxation year that the corporation is exempt from filing, **within 6 months** after the end of its taxation year, to the address shown at the top of Page 1.

If you check "Yes" to ALL of the following criteria, you are eligible to file the CT23 Short-Form Corporation Tax Return. To obtain a copy, contact the Ministry Information Centre at the numbers listed on page 2 of the Guide.

Yes	No		Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) The corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year. <div style="text-align: right;">(nearest whole percentage)</div> Indicate Share Capital with full voting rights owned by Canadian Residents <u>100</u> %	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(d) The corporation's taxation year ends on or after January 1, 2001, and its gross revenue and total assets are each \$1,500,000 or less and the corporation is not a financial institution; OR The corporation's taxation year commences after September 30, 2001, and its gross revenue and total assets are each \$3,000,000 or less and the corporation is not a financial institution.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	(b) The corporation's taxable income for the taxation year is \$200,000 or less. For a taxation year with less than 51 weeks, taxable income must be grossed-up. (Refer to guide)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(e) The corporation is NOT claiming a tax credit other than the Incentive Deduction for Small Business Corporations (IDSBC), Co-operative Education Tax Credit (CETC) or Graduate Transitions Tax Credit (GTC).
<input type="checkbox"/>	<input checked="" type="checkbox"/>	(c) The corporation is NOT a member of a partnership/joint venture or a member of an associated group of corporations during the taxation year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(f) The corporation's Ontario allocation factor is 100%.

**NOTE:** Family Farm or Fishing corporations that have a taxation year ending on or after January 1, 2000 and that are NOT subject to the Corporate Minimum Tax, may also use the **CT23 Short-Form Corporations Tax Return** if the corporation checks "Yes" to (a), (b), (c), (e) and (f) above.

**CT23 Corporations Tax Return****CT23 Page 3 of 24***Identification continued (for CT23 filers only)***Type of Corporation - Please check (✓) box(es) if applicable in sections 1 & 2**

<b>1</b>	<input checked="" type="checkbox"/>	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	<input type="checkbox"/>	Other Private		
3	<input type="checkbox"/>	Public		
4	<input type="checkbox"/>	Non-share Capital	Share Capital with full voting rights owned by Canadian residents.	(nearest %) <u>100</u> %
5	<input type="checkbox"/>	Other (specify)		

---

<b>2</b>	<input type="checkbox"/>	Family Farm Corporation s.1(2)	<input type="checkbox"/>	Bare Trustee Corporation
	<input type="checkbox"/>	Family Fishing Corporation s.1(2)	<input type="checkbox"/>	Branch of Non-resident s.63(1)
	<input type="checkbox"/>	Mortgage Investment Corp s.47	<input type="checkbox"/>	Financial institutions prescribed by Regulation only
	<input type="checkbox"/>	Credit Union s.51	<input type="checkbox"/>	Investment Dealer
	<input type="checkbox"/>	Bank Mortgage Subsidiary s.61(4)	<input type="checkbox"/>	Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
	<input type="checkbox"/>	Bank s.1(2)	<input type="checkbox"/>	Hydro successor, Municipal Electrical Utility or subsidiary of either
	<input type="checkbox"/>	Loan and Trust Corporation s.61(4)	<input type="checkbox"/>	Producer and seller of steam for uses other than for the generation of electricity
	<input type="checkbox"/>	Non-resident Corp s.2(2)(a) or (b)	<input type="checkbox"/>	Insurance Exchange s.74.4
	<input type="checkbox"/>	Non-resident Corporation s.2(2)(c)	<input type="checkbox"/>	Farm Feeder Finance Co-operative Corporation
	<input type="checkbox"/>	Mutual Fund Corporation s.48	<input type="checkbox"/>	Professional Corporation (incorporated professionals only)
	<input type="checkbox"/>	Non-resident owned investment Corp s.49		
	<input type="checkbox"/>	Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)		

Ontario Retail Sales Tax Vendor Permit No.  
(Use Head Office No.)Ontario Employer Health Tax Account No.  
(Use Head Office No.)Specify major business activity  
Distribution of electricity**Please check (✓) box(es) if applicable:**

<input type="checkbox"/> First Year of Filing	<input type="checkbox"/> Final Taxation Year up to Dissolution(wind-up) (Note: For discontinued businesses, see Guide.)	<input type="checkbox"/> Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
<input type="checkbox"/> Amended Return	<input type="checkbox"/> Final Taxation Year before Amalgamation	<input type="checkbox"/> Acquisition of Control fed s.249(4) Date control was acquired: _____
<input type="checkbox"/> Taxation Year End has changed - Canada Customs and Revenue Agency approval required	<input type="checkbox"/> Floating Fiscal Year End	

Was the corporation inactive throughout the taxation year?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Are you requesting a refund due to: the Carry-back of a Loss?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
an Overpayment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
a Specified Refundable Tax Credit?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Are you a Member of a Partnership or a Joint Venture?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

**Income Tax****CT23 Page 4 of 24**

**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).

Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)	From	690±	149,069
Subtract: Charitable donations		1 -	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)		2 -	
Subtract: Taxable dividends deductible, per federal T2 SCH 3		3 -	
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002)		4 -	
Subtract: Federal Part VI.1 tax	X 9/3	5 -	
Subtract: Prior years' losses applied - Non-capital losses	From	704-	
	From	715	
Net capital losses (page 16)	X rate	50.000000 % =	714-
Farm losses	From	724-	
Restricted farm losses	From	734-	
Limited partnership losses	From	754-	
<b>Taxable income (Non-capital loss)</b>		10 =	149,069
Addition to taxable income for unused foreign tax deduction for federal purposes	11 +		
<b>Adjusted taxable income 10 + 11 (if 10 is negative, enter 11)</b>	20 =	149,069	

Taxable Income	Number of days in Taxation Year									
	Days after Sept 30, 2001 and before Jan 1, 2004	Total days								
From 10 (or 20)	149,069	X 30	100.0000	% X 12.5 %	X 33	÷	73	366	=	29 +
			Ontario Allocation		Days after Dec 31, 2003	Total days				
From 10 (or 20)	149,069	X 30	100.0000	% X 14.0 %	X 34	366	÷	73	366	= 32 + 20,870
			Ontario Allocation							
<b>Income Tax Payable (before deduction of tax credits) 29 + 32</b>									40 =	20,870

**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 year? (✓) ☒ Yes ☐ No

\* Income from active business carried on in Canada

for federal purposes (fed.s.125(1)(a))	50	149,069
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	51 +	149,069
Add: Losses of other years deducted for federal purposes (fed.s.111)	52 +	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	53 -	
	=	149,069 ▶ 54 149,069

Federal Business limit (line 410 of the T2 return) for the year before application of fed.s.125(5.1)

**Ontario Business Limit Calculation**

Days after Sept. 30, 2001 and before Jan. 1, 2003										
280,000	X 28	÷ **	366	= +	43					
Days after Dec. 31, 2002 and before Jan. 1, 2004										
320,000	X 31	÷ **	366	= +	46					
Days after Dec. 31, 2003										
400,000	X 34	366	÷ **	366	= +	47	400,000	*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated		
Business limit for Ontario purposes 43 + 46 + 47	= 44	400,000	X 48	80.0000 % =	45	320,000				

<b>Income eligible for the IDSBC</b>	From	30	100.0000 % X	56	149,069	60 =	149,069
		****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)).

**Income Tax** *continued from Page 4***Number of Days in Taxation**

Year

		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days	
Calculation of IDSBC Rate	6.5 % X 28		+ 73	366	= 79 +
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days	
	7.0 % X 31		+ 73	366	= 89 +
		Days after Dec 31, 2003		Total Days	
	8.5 % X 34	366	+ 73	366	= 90 + 8.5000
<b>IDSBC Rate for Taxation Year 79 + 89 + 90</b>					<b>78 = 8.5000</b>
Claim	From 60	149,069	X From 78	8.5000 %	70 = 12,671

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 + 149,069

**If you are a member of an associated group** (✓) 81 ☒ (Yes)

Taxable income of associated corporations (Attach schedule)	82 +	44,123
Aggregate Taxable Income	85 =	193,192

**Number of days in Taxation Year**

	Days after Sept 30, 2001 and before Jan 1, 2003		Total Days	
Subtract: 280,000 X 28		+ 73	366	= 113 +
	Days after Dec 31, 2002 and before Jan 1, 2004		Total Days	
320,000 X 31		+ 73	366	= 115 +
	Days after Dec 31, 2003		Total Days	
400,000 X 34	366	+ 73	366	= 116 + 400,000
			113 + 115 + 116	= 400,000 ▶
(If negative, enter nil)				114 - 400,000
				86 =

**Number of Days in Taxation Year**

	Days after Sept 30, 2001 and before Jan 1, 2003		Total Days	
Calculation of Specified Rate for Surtax	4.333% X 28		+ 73	366 = 95 +
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days
	4.667% X 31		+ 73	366 = 96 +
		Days after Dec 31, 2003		Total Days
	4.667% X 34	366	+ 73	366 = 97 + 4.6670
<b>Specified rate of surtax for Taxation Year 95 + 96 + 97</b>				
	From 86	X From 94	4.6670 % =	87 =
	From 87	X From 60	149,069 + From 114	400,000 88 =
<b>Surtax: Lesser of 70 or 88</b>				
				100 =



**Income Tax** *continued from Page 5***CT23 Page 6 of 24****Additional Deduction for Credit Unions (s.51(4))** (Attach schedule 17)

110

**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.

<b>Eligible Canadian Profits</b>		120 +	
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From	56 -	149,069

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100	÷ From 30	100.0000 % ÷ From 78	8.5000 % = 121
*Ontario Allocation			

Lesser of 56 or 121	122 +	
120 - 56 + 122	130 =	

<b>Taxable income</b>	From	10 +	149,069
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	From	56 -	149,069
Add: Adjustments for Surtax on Canadian-controlled private corporations	From	122 +	
Subtract: Taxable income 10 X Allocation % to jurisdictions outside Canada		140	
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses		141 -	
10 - 56 + 122 - 140 - 141		142 =	

**Claim****Number of Days in Taxation Year**

143	X From	30	100.0000 % X 1.5% X	Days after Sept 30, 2001 and before Jan 1, 2004		Total Days	33	+ 73	366 =	154 +
				Lesser of 130 or 142	*Ontario Allocation					
143	X From	30	100.0000 % X 2.0% X	Days after Dec 31, 2003		Total Days	34	+ 73	366 =	156 +
				Lesser of 130 or 142	*Ontario Allocation					

M&amp;P claim for taxation year 154 + 156 160 =

**\*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 =

**Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity**

162 =

**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**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 Credit claimed 180

**Subtotal of Income Tax** 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 190 = 8,199

**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 + **Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies* to employment of eligible students.Eligible credit from **5798** Summary Schedule F192 + **Ontario Film and 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 (MFO) 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 + **Graduate Transitions Tax Credit (GTTC) (s.43.6)***Applies* to employment of eligible unemployed post secondary graduate.No. of Graduates from **6596**194 Eligible Credit from **6598** Summary Schedule G195 + **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 + **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 + **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 + **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 (MFO) 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 + **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 + **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 + **Total Specified Tax Credits:** 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201220 = **Specified Tax Credits Applied to reduce Income Tax**225 = **Income Tax 190 - 225 OR Enter NIL if reporting Non-Capital Loss** (amount cannot be negative)230 =  8,199To 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**.

**Corporate Minimum Tax (CMT)****CT23 Page 8 of 24****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	<b>240</b> +	12,057,465	
* Total Revenue of the corporation			<b>241</b> + 13,560,405

**If you are a member of an associated group** (✓) **242** ☒ (Yes)

Total Assets of associated corporations (Attach schedule)	<b>243</b> +	4,986,018	
Total Revenue of associated corporations (Attach schedule)			<b>244</b> + 78,682
Aggregate Total Assets	<b>249</b> =	17,043,483	
Aggregate Total Revenue			<b>250</b> = 13,639,087

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.)

Gross CMT Payable	CMT Base From <b>2135</b> <input type="text"/>	X From <b>30</b> <input type="text"/>	100.0000 % X 4%	<b>276</b> =	<input type="text"/>
	If negative, enter zero		Ontario Allocation		
Subtract: Foreign Tax Credit for CMT purposes (Attach schedule)				<b>277</b> -	<input type="text"/>
Subtract: Income Tax			From <b>190</b> -		8,199
<b>Net CMT Payable</b> (if negative, enter Nil on page 17.)				<b>280</b> =	<input type="text"/>

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** **Application of CMT Credit Carryovers**

<b>A.</b>	Income Tax (before deduction of specified credits)	From <b>190</b> +	8,199
	Gross CMT payable	From <b>276</b> +	<input type="text"/>
	Subtract: Foreign Tax Credit for CMT purposes	From <b>277</b> -	<input type="text"/>
	If <b>276 - 277</b> is negative, enter NIL in <b>290</b>	=	<input type="text"/>
	<b>Income Tax eligible for CMT Credit</b>	<b>290 - 300</b> =	8,199
<b>B.</b>	Income Tax (after deduction of specified credits)	From <b>230</b> +	8,199
	Subtract: CMT credit used to reduce income taxes	<b>310</b> -	<input type="text"/>
	<b>Income Tax</b>	<b>320</b> =	8,199

Transfer to Page 17

If **A & B** apply, **310** cannot exceed the lesser of **230**, **300** and your CMT credit carryover available **2307**.If only **B** applies, **310** cannot exceed the lesser of **230** and your CMT credit carryover available **2307**.

**Capital Tax** (Refer to Guide and Int.B. 3011)

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If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

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

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

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

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

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

**Paid-up Capital**

Paid-up capital stock (Int.B. 3012 and 3015)	350 +	4,631,198
Retained earnings (if deficit, deduct) (Int.B. 3012)	351 ±	(1,296,658)
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	352 +	
Loans and advances (Attach schedule)(Int.B. 3013)	353 +	
Bank loans (Int.B. 3013)	354 +	522,608
Bankers acceptances (Int.B. 3013)	355 +	
Bonds and debentures payable (Int.B. 3013)	356 +	
Mortgages payable (Int.B. 3013)	357 +	
Lien notes payable (Int.B. 3013)	358 +	4,356,925
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)	359 +	
Contingent, investment, inventory and similar reserves (Int.B. 3012)	360 +	
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012)	361 +	
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	362 +	
<b>Subtotal</b>	370 =	8,214,073
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	371 -	(849,326)
Deductible R&D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	372 -	
<b>Total Paid-up Capital</b>	380 =	9,063,399
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	381 -	
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	382 -	
<b>Net Paid-up Capital</b>	390 =	9,063,399

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

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

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	402 +	
Mortgages due from other corporations	403 +	
Shares in other corporations (certain restrictions apply) (Refer to Guide)	404 +	
Loans and advances to unrelated corporations	405 +	
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	406 +	
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	407 +	
<b>Total Eligible Investments</b>	410 =	

**Capital Tax** continued from Page 9

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**Total Assets** (Int.B. 3015)

Total Assets per balance sheet	420 +	12,057,465
Mortgages or other liabilities deducted from assets	421 +	
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )	422 +	
Subtract: Investment in partnership(s)/joint venture(s)	423 -	
<b>Total Assets as adjusted</b>	430 =	12,057,465
Amounts in 360 and 361 (if deducted from assets)	440 +	
Subtract: Amounts in 371, 372 and 381	441 -	(849,326)
Subtract: Appraisal surplus if booked	442 -	
Add or Subtract: Other adjustments (specify on an attached schedule)	443 ±	
<b>Total Assets</b>	450 =	12,906,791

**Investment Allowance** (410 ÷ 450) X 390

Not to exceed 410 460 =

**Taxable Capital** 390 - 460

470 = 9,063,399

**Gross Revenue** (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)

Gross Revenue of the corporation	13,560,405	
Corporation's Share of partnership(s)/joint venture(s) Gross Revenue ( <i>Attach schedule</i> )		
Aggregate of Gross Revenue	13,560,405	480 13,560,405
<b>Total Assets</b> (as adjusted)	From 430	12,057,465

**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		Days in taxation year	
-			
=	471	x From 30	100.0000
		Ontario Allocation	x 0.3% x 555
			366
			**365/366
			= 523 +
			Transfer to 543 on page 12 and complete the return from that point

**\*\* If floating taxation year, refer to Guide.**

continued on Page 11

**Capital Tax Calculation** *continued from page 10*

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**SECTION 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** (✓ 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** (✓ 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 form <b>470</b> on page 10	From <b>470</b> +	9,063,399
--	-------------------	-----------

**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**

Taxable Capital of associated corporations ( <i>Attach schedule</i> )	<b>531</b> +	4,997,800
Total Aggregate Taxable Capital <b>470</b> + <b>531</b>	<b>540</b> =	14,061,199

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 <b>470</b>	9,063,399	÷	From <b>540</b>	14,061,199	×	5,000,000	<b>541</b> =	3,222,840
								Transfer to Section 542 in D on page 12

**Ss.69(2.1) Election Filed**

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



**Capital Tax** *continued from page 12*

CT23 Page 13 of 24

**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.)*

565                      x 0.6% x From 30                      % x 555                      <sup>Days in taxation year</sup> ÷ \*\*365/366 = 569 +                       
 Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 Ontario Allocation

570                      x 571                      x From 30                      % x 555                      <sup>Days in taxation year</sup> ÷ \*\*365/366 = 574 +                       
 Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount Capital Tax Rate (Refer to Guide) Ontario Allocation

**Capital Tax for Financial Institutions - other than Credit Unions (before Section II) 569 + 574** **575 =**                     

**\*\* If floating taxation year, refer to Guide.****II. Small Business Investment Tax Credit***(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)*

Allowable Credit for Eligible Investments **585 =**                     

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? ☒ Yes ☐ No

**Capital Tax - Financial Institutions 575 - 585** **586 =**                     

*Transfer to 543 on Page 12***Premium Tax (s.74.2 & 74.3) (refer to Guide)**

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

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

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

**Premium Tax 588 - 589** **590 =**                     

*Transfer to Page 17*



**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±** 149,069  
Transfer to Page 15**Add:**

Federal capital cost allowance	<b>601 +</b>	480,975
Federal cumulative eligible capital deduction	<b>602 +</b>	27,149
Ontario taxable capital gain	<b>603 +</b>	
Federal non-allowable reserves. Balance beginning of year	<b>604 +</b>	
Federal allowable reserves. Balance end of year	<b>605 +</b>	
Ontario non-allowable reserves. Balance end of year	<b>606 +</b>	
Ontario allowable reserves. Balance beginning of year	<b>607 +</b>	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	<b>608 +</b>	
Federal resource allowance	<b>609 +</b>	
Federal depletion allowance	<b>610 +</b>	
Federal foreign exploration and development expenses	<b>611 +</b>	
Management fees, rents, royalties and similar payments to non-arms' length non-residents		

**Number of days in Taxation Year**

Days after Sept. 30, 2001  
and before Jan. 1, 2004      Total days

**612** \_\_\_\_\_ X 5/12.5 X **33** + **73** 366 = **633 +** \_\_\_\_\_

Days after Dec. 31, 2003      Total days

**612** \_\_\_\_\_ X 5/14.0 X **34** 366 ÷ **73** 366 = **634 +** \_\_\_\_\_

Total add-back amount for Management fees, etc. <b>633 + 634 =</b>	<b>613 +</b>	
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in <b>473</b> from Ont. CT23 schedule 161	<b>615 +</b>	
Add any negative amount in <b>473</b> from Ont. CT23 Schedule 161	<b>616 +</b>	
Federal allowable business investment loss	<b>620 +</b>	
Total of other items not allowed by Ontario but allowed federally ( <i>Attach schedule</i> )	<b>614 +</b>	
<b>Sub Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614</b>	<b>=</b>	508,124 <b>640</b> 508,124
		Transfer to Page 15

**Deduct:**

Ontario capital cost allowance (excludes amounts deducted under <b>675</b> )	<b>650 +</b>	480,975
Ontario cumulative eligible capital deduction	<b>651 +</b>	27,149
Federal taxable capital gain	<b>652 +</b>	
Ontario non-allowable reserves. Balance beginning of year	<b>653 +</b>	
Ontario allowable reserves. Balance end of year	<b>654 +</b>	
Federal non-allowable reserves. Balance end of year	<b>655 +</b>	
Federal allowable reserves. Balance beginning of year	<b>656 +</b>	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) ( <i>Retain calculations. Do not submit.</i> )	<b>657 +</b>	
Ontario depletion allowance	<b>658 +</b>	
Ontario resource allowance	<b>659 +</b>	
Ontario current cost adjustment ( <i>Attach schedule</i> )	<b>661 +</b>	
Incentive for new electricity supply (section 13.6 deduction from income) ( <i>Applies</i> only to electrical generating corporations.)	<b>674 +</b>	
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	<b>675 +</b>	
<b>Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675</b>	<b>681</b>	508,124
		Transfer to 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 ±	149,069
Sub Total of Additions	From 640 =	508,124

Sub Total of deductions on page 14	From 681 =	508,124
------------------------------------	------------	---------

**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

**ONTTI Gross-up deduction calculation:**

From Gross-up of CCA

662	x 100/ 30	100.0000	- From 662	663 =	
			Ontario allocation		

**Workplace Child Care Tax Incentive**

Qualifying expenditures: 665	x 30%	x 100/ 30	100.0000	666 =	
			Ontario Allocation		

**Workplace Accessibility Tax Incentive**

Qualifying expenditures: 667	x 100%	x 100/ 30	100.0000	668 =	
			Ontario Allocation		

**Number of****Employees accommodated 669****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	x 30%	x 100/ 30	100.0000	671 =	
			Ontario Allocation		

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

Qualifying expenditures 672	x 15%	x 100/ 30	100.0000	673 =	
			Ontario Allocation		

**Ontario allowable business investment loss**

678 +

**Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161**

679 +

**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 +

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

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664	=	508,124	680	508,124
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Net income (loss) for Ontario purposes 600 + 640 - 680	690 =	149,069
		Transfer to Page 4

**Continuity of Losses Carried Forward****CT23 Page 16 of 24**

	<b>Non-Capital Losses (1)</b>	<b>Total Capital Losses (9) (10)</b>	<b>Farm Losses</b>	<b>Restricted Farm Losses</b>	<b>Listed Personal Property Losses</b>	<b>Limited Partnership Losses (6)</b>
<b>Balance at Beginning of Year</b>	<b>700 (2)</b>	<b>710 (2)</b>	<b>720 (2)</b>	<b>730</b>	<b>740</b>	<b>750</b>
<b>Add:</b>	<b>701</b>	<b>711</b>	<b>721</b>	<b>731</b>	<b>741</b>	<b>751</b>
Current year's losses (7)						
Losses from predecessor corporations (3)	<b>702</b>	<b>712</b>	<b>722</b>	<b>732</b>		<b>752</b>
	<b>703</b>	<b>713</b>	<b>723</b>	<b>733</b>	<b>743</b>	<b>753</b>
<b>Subtotal</b>						
<b>Subtract:</b>	<b>704 (2)</b>	<b>715 (2)(4)</b>	<b>724 (2)</b>	<b>734 (2)(4)</b>	<b>744 (4)</b>	<b>754 (4)</b>
Utilized during the year to reduce taxable income	<b>705</b>		<b>725</b>	<b>735</b>	<b>745</b>	
Expired during the year						
Carried back to prior years to reduce income (5)	<b>706 (2) To Pg 17</b>	<b>716 (2) To Pg 17</b>	<b>726 (2) To Pg 17</b>	<b>736 (2) To Pg 17</b>	<b>746</b>	
	<b>707</b>	<b>717</b>	<b>727</b>	<b>737</b>	<b>747</b>	<b>757</b>
<b>Subtotal</b>						
<b>Balance at End of Year</b>	<b>709 (8)</b>	<b>719</b>	<b>729</b>	<b>739</b>	<b>749</b>	<b>759</b>

**Notes:**

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5) as made applicable by s.34.
- (3) Include losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.
- (7) Include amounts from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

**Analysis of Balance by Year of Origin**

<b>Year of Origin (oldest year first)</b>	<b>Non Capital Losses</b>	<b>Non-Capital Losses of Predecessor Corporations</b>	<b>Total Capital Losses from Listed Personal Property only (9) (10)</b>	<b>Farm Losses</b>	<b>Restricted Farm Losses</b>
<b>800</b>				<b>850</b>	<b>870</b>
<b>801</b>				<b>851</b>	<b>871</b>
<b>802</b>				<b>852</b>	<b>872</b>
<b>803</b>	<b>820</b>	<b>830</b>	<b>840</b>	<b>853</b>	<b>873</b>
<b>804 2000/09/30</b>	<b>821</b>	<b>831</b>	<b>841</b>	<b>854</b>	<b>874</b>
<b>805 2001/09/30</b>	<b>822</b>	<b>832</b>	<b>842</b>	<b>855</b>	<b>875</b>
<b>806 2001/12/31</b>	<b>823</b>	<b>833</b>	<b>843</b>	<b>856</b>	<b>876</b>
<b>807 2002/12/31</b>	<b>824</b>	<b>834</b>	<b>844</b>	<b>857</b>	<b>877</b>
<b>808 2003/12/31</b>	<b>825</b>	<b>835</b>	<b>845</b>	<b>858</b>	<b>878</b>
<b>809 2004/12/31</b>	<b>826</b>	<b>836</b>	<b>846</b>	<b>859</b>	<b>879</b>
<b>Total</b>	<b>829</b>	<b>839</b>	<b>849</b>	<b>869</b>	<b>889</b>

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

**Applies** to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carryback adjustment may be applied by the Minister of Finance to amounts owing under **any Act administered by the Minister 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
<b>Total amount of loss</b>	910	920	930	940
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income.				
<b>Predecessor Corporation's Taxation Year</b> <b>Account No. (MOF) Ending</b>	911	921	931	941
i) 3rd preceding 901 2001/12/31	912	922	932	942
ii) 2nd preceding 902 2002/12/31	913	923	933	943
iii) 1st preceding 903 2003/12/31	From 706	From 716	From 726	From 736
<b>Total loss to be carried back</b>	919	929	939	949
<b>Balance of loss available for carryforward</b>				

## Summary

Income Tax	From 230 or 320 +	8,199
Corporate Minimum Tax	From 280 +	
Capital Tax	From 550 +	17,522
Premium Tax	From 590 +	
<b>Total Tax Payable</b>	950 =	25,721
<b>Subtract:</b>		
Payments	960 -	
Capital Gains Refund (s.48)	965 -	
Qualifying Environmental Trust Tax Credit		
(Refer to Guide)	985 -	
Specified Tax Credits		
(Refer to Guide)	955 -	
<b>Balance</b>	970 =	25,721
<b>If payment due</b>	Enclosed * 990	
<b>If overpayment: Refund (Refer to Guide)</b>	975 =	
<b>Apply to</b>	980	
	(Includes credit interest)	

\* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, **payable to the Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of the 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 Thomas Enright		
Title Chairman		
Full Residence Address 351 Frances Street		
City Strathroy		
Province ON	Country CA	Postal Code N7G 2C7
Signature		Date 2005/06/30

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

**Corporate Minimum Tax - Schedule A:**  
**Calculation of CMT Base**

CT23 Schedule A

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**Banks** - 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± 122,580

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

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

Subtotal = 2109 -

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

Provision for current taxes / cost of current income taxes	2110 +	39,933
Provision for deferred income taxes (debits) / cost of future income taxes	2111 +	
Equity losses from corporations	2112 +	
Share of partnership(s)/joint venture(s) losses	2113 +	
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 +	

Subtotal = 39,933 2115+ 39,933

**Add/Subtract:**

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

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

\*\* Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years

2122 + or 2123 -

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

2124 + or 2125 -

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

2126 + or 2127 -

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

2150 -

Subtotal (Additions) = 2128 +

Subtotal (Subtractions) = 2129 -

\*\* Other adjustments 2130±

Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130 2131 = 162,513

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

Adjusted net income (loss) (if loss, transfer to 2202 in Schedule B) 2133 = 162,513

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

CMT losses: other eligible losses \* 2211 + 162,513

= 162,513 2134 - 162,513

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

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

**CMT Base**

2135 =

Transfer to CMT Base on page 8

**Corporate Minimum Tax (CMT)**

CT23 Schedule B &amp; C

**Schedule B: Continuity of CMT Losses Carried Forward**

Page 19 of 24

**CMT loss continuity by year**

Year of origin	Beginning balance	Transfers on amalgamation	Transfers on wind-up	Adjustments	Current year loss	Applied	Ending balance
							Expired
2000/09/30							
2001/09/30							
2001/12/31	94,296					94,296	
2002/12/31	268,938					68,217	200,721
2003/12/31	269,196						269,196
2004/12/31							
<b>Totals</b>	<b>632,430</b>					<b>162,513</b>	<b>469,917</b>

**Balance at Beginning of year (1), (2)** **2201 +** 632,430

**Add:** Current year's losses **2202 +**  
 Losses from predecessor corporations on amalgamation (3) **2203 +**  
 Losses from predecessor corporations on wind-up (3) **2204 +**  
 Amalgamation (✓) **2205** ☐ Yes Wind-up (✓) **2206** ☐ Yes

**Subtotal** **=** **2207 +**

Adjustments (attach schedule) **2208 ±**

**CMT losses available 2201 + 2207 ± 2208** **2209 =** 632,430

**Subtract:** Pre-1994 loss utilized during the year to reduce adjusted net income **2210 +**  
 Other eligible losses utilized during the year to reduce adjusted net income (4) **2211 +** 162,513  
 Losses expired during the year **2212 +**

**Subtotal** **=** 162,513 **2213 -** 162,513

**Balances at End of Year (5) 2209 - 2213** **2214 =** 469,917

**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 acquisitions 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** and **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)	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
<b>2240</b>	<b>2260</b>	<b>2280</b>
<b>2241</b>	<b>2261</b>	<b>2281</b>
<b>2242</b>	<b>2262</b>	<b>2282</b>
<b>2243</b>	<b>2263</b>	<b>2283</b>
<b>2244</b> 2000/09/30	<b>2264</b>	<b>2284</b>
<b>2245</b> 2001/09/30	<b>2265</b>	<b>2285</b>
<b>2246</b> 2001/12/31	<b>2266</b>	<b>2286</b>
<b>2247</b> 2002/12/31	<b>2267</b> 200,721	<b>2287</b>
<b>2248</b> 2003/12/31	<b>2268</b> 269,196	<b>2288</b>
<b>2249</b> 2004/12/31	<b>2269</b>	<b>2289</b>
<b>Totals</b>	<b>2270</b> 469,917	<b>2290</b>

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

## Corporate Minimum Tax (CMT)



## Schedule D: Continuity of CMT Credit Carryovers

## CMT credit continuity by year

Year of origin	Beginning balance	Transfers on amalgamation or wind-up	Adjustments	Current year credit	Applied	Expired	Ending balance
2001/09/30							
2001/12/31							
2002/12/31							
2003/12/31							
2004/12/31							
Totals							

Balance at Beginning of year (1) 2301+ \_\_\_\_\_

Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL) From 280+ \_\_\_\_\_  
 CMT Credit Carryovers from predecessor corporations (2) 2302+ \_\_\_\_\_  
 Amalgamation (✓) 2303 ☐ Yes Wind-up (✓) 2304 ☐ Yes

Subtotal = \_\_\_\_\_ ▶ 2305+ \_\_\_\_\_

Adjustments (Attach schedule) 2306± \_\_\_\_\_

CMT credit carryover available 2301 + 2305 ± 2306 2307= \_\_\_\_\_

Transfer to Page 8

Subtract: CMT credit utilized during the year to reduce income tax (Page 8) From 310+ \_\_\_\_\_  
 CMT credit expired during the year 2308+ \_\_\_\_\_

Subtotal = \_\_\_\_\_ ▶ 2309- \_\_\_\_\_

Balance at End of Year (3) 2307 - 2309 2310= \_\_\_\_\_

## 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))
- (3) Amount in 2310 must equal the sum of 2370 + 2390.

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

Year of Origin (oldest year first)	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporations
2340	2360	2380
2341	2361	2281
2342	2362	2382
2343	2363	2383
2344	2364	2384
2345 2001/09/30	2365	2385
2346 2001/12/31	2366	2386
2347 2002/12/31	2367	2387
2348 2003/12/31	2368	2388
2349 2004/12/31	2369	2389
Totals	2370	2390

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



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

# Ontario Capital Cost Allowance Schedule 8

## ONTARIO CAPITAL COST ALLOWANCE

Corporation's Legal Name Middlesex Power Distribution Corporation			Ontario Corporations Tax Account No. (MOF) 1800268			Taxation Year End 2004/12/31						
Is the corporation electing under regulation 1101(5q)?    101   1 <input type="checkbox"/> Yes   2 <input checked="" type="checkbox"/> No												
1 Class number	2 Ontario undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the year  See note 1 below	4 Net adjustments	5 Proceeds of dispositions during the year	6 Ontario undepreciated capital cost (col 2 + 3 or col 2 - 4 - 5)	7 50% rule  See note 2 below	8 Reduced undepreciated capital cost (col 6 - 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (col 8 x 9 or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (col 6 - 12)
1	5,236,734	238,902			5,475,636	119,451	5,356,185	4			214,247	5,261,389
2	3,036,107	22,986			3,059,093	11,493	3,047,600	6			182,856	2,876,237
8	115,894				115,894		115,894	20			23,179	92,715
10	202,309				202,309		202,309	30			60,693	141,616
Totals	8,591,044	261,888				130,944	8,721,988				480,975	8,371,957
Enter in box 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.



Corporation's Legal Name Middlesex Power Distribution Corporation	Ontario Corporations Tax Account No. (MOF) 1800268	Taxation Year End 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 beginning of taxation year (if negative, enter zero)			387,839	A
Add: Cost of eligible capital property acquired during the taxation year	+			B
Amount transferred on amalgamation or wind-up of subsidiary	+			C
Other adjustments	+			D
Total of B + C + D	=		x 3/4=	E
Subtotal A + E			=	387,839 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	+			G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the <i>Income Tax Act</i> (Canada)	+			H
Other adjustments	+			I
Total of G + H + I	=		x 3/4=	J
Ontario cumulative eligible capital balance F - J			=	387,839 K

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

Current year deduction	387,839 K x 7%*	=	27,149	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)	=	360,690	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

Complete this part only if the amount at line K is negative

Amount from line K above show as a positive amount				N
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988			1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80 (7)			2	
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988			3	
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988			4	
Line 3 deduct line 4			5	
Total lines 1 + 2 + 5			6	
Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000			7	
Deduct line 7 from line 6				O
N - O (cannot be negative)				P
Amount on line 5 x 1/2				Q
P - Q				R
Amount on line R x 66.6667				S
Lesser of line N or line O				T
Amount to be included in income S + T				

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



Corporation's Legal Name Middlesex Power Distribution Corporation	Ontario Corporations Tax Account No. (MOF) 1800268	Taxation Year End 2004/12/31
--	---	---------------------------------

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
Middlesex Power Corporation	1800267	2004/12/31	44,123
Middlesex Energy Services Corporation	1800293	2004/12/31	
<b>Total</b>			44,123

Transfer to **85** on the CT23

**Ontario****Ministry of Finance**Corporations Tax Branch  
PO Box 620  
33 King Street West  
Oshawa, ON L1H 8E9**Taxable Capital of Associated Corporations**(Applicable to an associated group that  
has a permanent establishment in Canada)**Schedule CT21**

Corporation's Legal Name Middlesex Power Distribution Corporation	Ontario Corporations Tax Account No. (MOF) 1800268	Taxation Year End 2004/12/31
--	---	---------------------------------

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

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
Middlesex Power Corporation	1800267	2004/12/31	4,753,049
Middlesex Energy Services Corporation	1800293	2004/12/31	244,751
Aggregate of taxable capital			4,997,800

Transfer to 540 of the CT23



Corporation's Legal Name Middlesex Power Distribution Corporation	Ontario Corporations Tax Account No. (MOF) 1800268	Taxation Year End 2004/12/31
--	---	---------------------------------

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
Middlesex Power Corporation	1800267	2004/12/31	4,753,049	
Middlesex Energy Services Corporation	1800293	2004/12/31	232,969	78,682
<b>Totals</b>			<b>4,986,018</b>	<b>78,682</b>

*Transfer to **249**  
of the CT23*

*Transfer to **250**  
of the CT23*



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 corresponding items in 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, see items 1 to 5 in the guide.

**055** Do not use this area**Identification**

<b>Business number (BN) (item 11)</b> 001 86570 1635 RC 0001		<b>COPY</b>			
<b>Corporation's name (item 12)</b> 002 Middlesex Power Distribution Corporation					
Has the corporation changed its name since the last time we were notified? <b>003</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		If yes, do you have a copy of the articles of amendment? <b>004</b> <input type="checkbox"/> Yes <input type="checkbox"/> No			
<b>Address of head office (item 13)</b> Has the address changed since the last time we were notified? <b>010</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>011</b> 351 Frances Street <b>012</b> _____ City Province, territory, or state <b>015</b> Strathroy <b>016</b> ON Country (other than Canada) Postal code/Zip code <b>017</b> _____ <b>018</b> N7G 2C7		<b>To which taxation year does this return apply? (item 17)</b> From <b>060</b> 2004/01/01 to <b>061</b> 2004/12/31 Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? <b>063</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, provide date control was acquired <b>065</b> _____			
<b>Mailing address (if different from head office address) (item 14)</b> Has the address changed since the last time we were notified? <b>020</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>021</b> C/o _____ <b>022</b> 351 Frances Street <b>023</b> _____ City Province, territory, or state <b>025</b> Strathroy <b>026</b> ON Country (other than Canada) Postal code/Zip code <b>027</b> _____ <b>028</b> N7G 2C7		<b>Is the corporation a professional corporation that is a member of a partnership? (item 18)</b> <b>067</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>Location of books and records (item 15)</b> Has the location of books changed since the last time we were notified? <b>030</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>031</b> 351 Frances Street <b>032</b> _____ City Province, territory, or state <b>035</b> Strathroy <b>036</b> ON Country (other than Canada) Postal code/Zip code <b>037</b> _____ <b>038</b> N7G 2C7		<b>Is this the first year of filing after:</b> Incorporation? (item 19) <b>070</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Amalgamation? (item 20) <b>071</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, complete Schedule 24			
<b>040 Type of corporation at end of taxation year (item 16)</b> <b>1</b> <input checked="" type="checkbox"/> Canadian controlled private corporation (CCPC) <b>4</b> <input type="checkbox"/> Corporation controlled by a public corporation <b>2</b> <input type="checkbox"/> Other private corporation <b>5</b> <input type="checkbox"/> Other corporation (please specify, below) _____ <b>3</b> <input type="checkbox"/> Public corporation If the type of corporation changed during the taxation year, provide the effective date of the change <b>043</b> _____		<b>Has there been a wind-up of a subsidiary under section 88 during the current taxation year? (item 21)</b> If yes, complete Schedule 24 <b>072</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
		<b>Is this the final taxation year before amalgamation? (item 22)</b> <b>076</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
		<b>Is this the final return up to dissolution? (item 23)</b> <b>078</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
		<b>Is the corporation a resident of Canada? (item 24)</b> <b>080</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, give the country of residence. <b>081</b> _____			
		<b>Is the non-resident corporation claiming an exemption under an income tax treaty? (item 24)</b> <b>082</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, complete Schedule 91			
		<b>If the corporation is exempt from tax under section 149, tick one of the following boxes: (item 25)</b> <b>085</b> <b>1</b> <input type="checkbox"/> Exempt under 149(1)(e) or (l) <b>2</b> <input type="checkbox"/> Exempt under 149(1)(j) <b>3</b> <input type="checkbox"/> Exempt under 149(1)(t) <b>4</b> <input type="checkbox"/> Exempt under other paragraphs of section 149			
<b>Do not use this area</b>					
<b>091</b>	<b>092</b>	<b>093</b>	<b>094</b>	<b>095</b>	<b>096</b>
<b>097</b>					

## Attachments

**Financial statement information:** Use GIFI schedules 100, 125, and 141.

\* We do not print these schedules.

**Schedules -** Answer the following questions. For each yes response, attach to the T2 return the schedule that applies.

## Guide item

	Yes	Schedule
27 Is the corporation related to any other corporations?	150 <input checked="" type="checkbox"/>	9
28 Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
29 Is the corporation an associated Canadian-controlled private corporation (CCPC)?	160 <input checked="" type="checkbox"/>	23
30 Is the corporation an associated CCPC that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
32 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 <input type="checkbox"/>	11
33 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 <input type="checkbox"/>	44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
38 Is the corporation a member of a partnership for which an identification number has been assigned?	167 <input type="checkbox"/>	T5013
40 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 <input type="checkbox"/>	22
41 Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	25
42 Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170 <input type="checkbox"/>	29
43 Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
47 Has the corporation made payments to, or received amounts from a retirement compensation arrangement?	172 <input type="checkbox"/>	----
46 Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input checked="" type="checkbox"/>	50
55 Is the net income/loss shown on financial statements different from the net income for income tax purposes?	201 <input checked="" type="checkbox"/>	1
78-81 Has the corporation made any charitable donations, gifts to Canada, a province or a territory, or gifts of cultural or ecological property?	202 <input type="checkbox"/>	2
82, 104 Has the corporation received dividends or paid taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
69-76 Is the corporation claiming any type of losses?	204 <input type="checkbox"/>	4
132 Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input type="checkbox"/>	5
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 <input type="checkbox"/>	6
103 (i) Is the corporation claiming the small business deduction and reporting income from : (a) property (other than dividends), (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 <input type="checkbox"/>	7
57 Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property?	210 <input checked="" type="checkbox"/>	10
59 Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
60 Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
61 Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
62 Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
150 Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
131 Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
118 Is the corporation claiming any federal or provincial foreign tax credits, or logging tax credits?	221 <input type="checkbox"/>	21
155 Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
111 Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
121 Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
63 Is the corporation claiming any scientific research and experimental development expenditures?	232 <input type="checkbox"/>	T661/T665
124 Is the corporation subject to Part 1.3 tax?	233 <input type="checkbox"/>	33/34/35
124 Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax?	236 <input type="checkbox"/>	36
124 Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
128 Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
128 Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	42
129 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 <input type="checkbox"/>	43
129 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
125 Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	46
128 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 <input type="checkbox"/>	39
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131
153 Is the corporation claiming a film or video production services tax credit refund?	254 <input type="checkbox"/>	T1177
130 Is the corporation subject to Part XIII.1 tax?	255 <input type="checkbox"/>	92 *

**Attachments - Continued from page 2****Guide item****Yes Schedule**

44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256	<input type="checkbox"/>	T1134-A
44 Did the corporation have any controlled foreign affiliates?	258	<input type="checkbox"/>	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	259	<input type="checkbox"/>	T1135
44 Did the corporation transfer or loan property to a non-resident trust?	260	<input type="checkbox"/>	T1141
44 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? (item 48)	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) (item 49)	281	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (item 50)	282		
(Only complete if yes was entered at line 281.)			
If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51)	283	1 Wholesale <input type="checkbox"/>	2 Retail <input type="checkbox"/>
Specify the principal product(s) mined, manufactured, sold, constructed, or service provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)	284 Electricity	285 100.000 %	
	286	287 %	
	288	289 %	
Did the corporation immigrate to Canada during the taxation year? (item 53)	291	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year? (item 54)	292	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFL (item 77)	300	149,069	A
Deduct:			
Charitable donations from Schedule 2 (item 78)	311		
Gifts to Canada or a province, or a territory from Schedule 2 (item 79)	312		
Cultural gifts from Schedule 2 (item 80)	313		
Ecological gifts from Schedule 2 (item 81)	314		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 (item 82)	320		
Part VI.1 tax deduction from Schedule 43 (item 83)**	325		
Non-capital losses of preceding taxation years from Schedule 4 (item 84)	331		
Net capital losses of preceding taxation years from Schedule 4 (item 85)	332		
Restricted farm losses of prior taxation years from Schedule 4 (item 86)	333		
Farm losses of prior taxation years from Schedule 4 (item 87)	334		
Limited partnership losses of prior years from Schedule 4 (item 88)	335		
Taxable capital gains or taxable dividends allocated from a central credit union (item 89)	340		
Prospector's and grubstaker's shares (item 90)	350		
Subtotal			B
Subtotal (amount A minus amount B) (if negative, enter "0")		149,069	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions (item 91)	355		D
<b>Taxable income</b> (amount C plus amount D) (item 92)	360	149,069	
Income exempt under paragraph 149(1)(t) (item 93)	370		
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) (item 94)			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 throughout the taxation year**

Income from active business carried on in Canada from Schedule 7 (item 95)	<b>400</b>	149,069	A
Taxable income from line 360 on page 3, <b>minus</b> 10/3 the amount at line 632* on page 7, <b>minus</b> 3 times the amount at line 636** on page 7, and <b>minus</b> any amount that, because of federal law, is exempt from Part I tax (item 96)	<b>405</b>	149,069	B

**Calculation of the business limit: (item 97)**

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	366			
\$250,000 x	Number of days in the taxation year in 2004	366	=	250,000	2
	Number of days in the taxation year	366			
\$300,000 x	Number of days in the taxation year after 2004		=		3
	Number of days in the taxation year	366			
	Add amounts at line 1, 2, and 3	250,000			4

Business limit (see notes 1 and 2 below)	<b>410</b>	200,000	C
--	------------	---------	---

**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: (item 98)**

Amount C	200,000	X	<b>415 ***</b>	D	=		E
				11,250			

Reduced business limit (amount C minus amount E) (if negative, enter "0")	<b>425</b>	200,000	F
---	------------	---------	---

<b>Small business deduction</b> - 16% of the least of amounts A, B, C, and F	<b>430</b>	23,851	G
--	------------	--------	---

(enter amount G of line 9 on page 7)

**Accelerated tax reduction (item 99)****Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**

Reduced business limit (amount from line 425)	200,000	x	300,000	=	240,000	A
			250,000			

Net active business income (amount from line 400)*					149,069	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 (item 96)			149,069	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")			149,069	▶	149,069	E
--	--	--	---------	---	---------	---

Amount A, B, or E above, whichever is less					149,069	F
--	--	--	--	--	---------	---

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

Amount QQ from Part 13 of Schedule 27				H
---------------------------------------	--	--	--	---

Taxable resource income from line 435 on page 5				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, whichever is less			149,069	K
--	--	--	---------	---

Total of amounts G, H, I, J, and K			149,069	▶	149,069	L
------------------------------------	--	--	---------	---	---------	---

Amount F minus amount L (if negative, enter "0")						M
--	--	--	--	--	--	---

<b>Accelerated tax reduction</b> - 7% of amount M						N
---	--	--	--	--	--	---

(Enter amount N on line 637 of page 7)

\* If 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 (item 100)**

Taxable resource income				<b>435</b>	<b>A</b>
Amount A	x	<u>Number of days in the taxation year in 2003</u>			
		Number of days in the taxation year	366	x 1% =	<b>B</b>
Amount A	x	<u>Number of days in the taxation year in 2004</u>	366	x 2% =	<b>C</b>
		Number of days in the taxation year	366		
Amount A	x	<u>Number of days in the taxation year in 2005</u>	366	x 3% =	<b>D</b>
		Number of days in the taxation year	366		
Amount A	x	<u>Number of days in the taxation year in 2006</u>	366	x 5% =	<b>E</b>
		Number of days in the taxation year	366		
<b>Resource deduction - total of amounts B, C, D and E</b>				<b>438</b>	<b>F</b>
(enter amount F on line 10 of page 7)					

**General tax reduction for Canadian-controlled private corporations (item 101)****Canadian-controlled private corporations throughout taxation year**

Taxable income from line 360 page 3					<b>149,069</b>	<b>A</b>
Amount Z from Part 9 of Schedule 27		x 100 / 7 =		<b>B</b>		
Amount QQ from Part 13 of Schedule 27				<b>C</b>		
Taxable resource income from line 435 above					<b>D</b>	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)					<b>E</b>	
Amounts on lines 400, 405, 410, and 425 on page 4, whichever is less				<b>149,069</b>	<b>F</b>	
Aggregate investment income from line 440 of page 6					<b>G</b>	
Amount used to calculate the accelerated tax reduction (amount M of page 4)					<b>H</b>	
Total of amounts B, C, D, E, F, G, and H				<b>149,069</b>		<b>I</b>
Amount A minus amount I (if negative, enter "0")						<b>J</b>
Amount J	x	<u>Number of days in the taxation year in 2003</u>				
		Number of days in the taxation year	366	x 5% =		<b>K</b>
Amount J	x	<u>Number of days in the taxation year after 2003</u>	366	x 7% =		<b>L</b>
		Number of days in the taxation year	366			
<b>General tax reduction for Canadian-controlled private corporations - total of amounts K and L</b>						<b>M</b>
(enter amount M on line 638 of page 7)						

**General tax reduction (item 102)****Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation**

Taxable income from line 360 on page 3						<b>A</b>
Amount Z from Part 9 of Schedule 27		x 100 / 7 =		<b>B</b>		
Amount QQ from Part 13 of Schedule 27				<b>C</b>		
Taxable resource income from line 435 above					<b>D</b>	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)					<b>E</b>	
Total of amounts B, C, D and E						<b>F</b>
Amount A minus amount F (if negative, enter "0")						<b>G</b>
Amount G	x	<u>Number of days in the taxation year in 2003</u>				
		Number of days in the taxation year		x 5% =		<b>H</b>
Amount G	x	<u>Number of days in the taxation year after 2003</u>				
		Number of days in the taxation year		x 7% =		<b>I</b>
<b>General tax reduction - total of amounts H and I</b>						<b>J</b>
(enter amount J on line 639 of page 7)						

**Refundable portion of Part I tax (item 103)****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 3 149,069

**Deduct:**

Amounts on lines 400, 405, 410, and 425 on  
 page 4, whichever is less 149,069

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

Foreign business income tax credit from  
 line 636 on page 7 x 3 = \_\_\_\_\_

149,069 X 26 2/3 % = \_\_\_\_\_ D

Part I tax payable minus investment tax credit refund  
 (line 700 minus line 780 on page 8) 19,558

**Deduct** corporate surtax from line 600 on page 7 1,670

Net amount 17,888 17,888 E

**Refundable portion of Part I tax** - Amount C, D, or E, whichever is less 450 0 F

**Refundable dividend tax on hand (item 104)**

Refundable dividend tax on hand at the end of the preceding tax 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 on page 2 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 A plus amount B 485 0

**Dividend refund (item 105)****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 on page 2 of  
 Schedule 3 \_\_\_\_\_ X 1/3 \_\_\_\_\_ A

Refundable dividend tax on hand at the end of the taxation year from line 485 above \_\_\_\_\_ B

**Dividend refund** - Amount A or B, whichever is less (enter this amount on line 784 on page 8) 0

**Part I tax****Base amount of Part I tax** -38% of taxable income (line 360 or amount Z, whichever applies)  
from page 3 (item 106)

550 56,646 A

**Corporate surtax calculation (item 107)**

Base amount from line A above

56,646 1

**Deduct:**

10% of taxable income (line 360 or amount Z, whichever applies) from page 3

14,907 2

Investment corporation deduction from line 620 below

3

Federal logging tax credit from line 640 below

4

Federal qualifying environment trust tax credit from line 648 below

5

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

28% of taxable income from line 360 on page 3

a

28% of taxed capital gains

b

Part I tax otherwise payable

(line A plus line C and D minus line F)

17,888 c

Total of lines 2 to 6

14,907 7

Net amount (line 1 minus line 7)

41,739 8

**Corporate surtax** - 4% of the amount on line 8

600 1,670 B

Recapture of investment tax credit from line PPP in Part 21 on page 8 of Schedule 31 (item 108)

602 C

**Calculation for the refundable tax on Canadian-controlled private corporation's investment income**  
(for a CCPC throughout the taxation year) (item 109)

Aggregate investment income from line 440 on page 6

i

Taxable income from line 360 on page 3

149,069

**Deduct:**

The least of amounts on lines 400, 405, 410, and 425 on page 4

149,069

Net amount

ii

**Refundable tax on CCPC's investment income** - 6 2/3 % of the lesser of amounts i or ii

604 D

Subtotal (add lines A, B, C, and D)

58,316 E

**Deduct:**

Small business deduction from line 430 on page 4

23,851 9

Federal tax abatement (item 110)

608 14,907

Manufacturing and processing profits deduction from amount BB of Schedule 27 (item 111)

616

Investment corporation deduction (item 112)

620

(Taxed capital gains 624 )

Additional deduction - credit unions from Schedule 17 (item 113)

628

Federal foreign non-business income tax credit from Schedule 21 (item 114)

632

Federal foreign business income tax credit from Schedule 21 (item 115)

636

Accelerated tax reduction from amount N of page 4 (item 116)

637

Resource deduction from line 438 of page 5

10

General tax reduction for CCPC's from amount M of page 5 (item 117)

638

General tax reduction from amount J of page 5 (item 117)

639

Federal logging tax credit from Schedule 21 (item 118)

640

Federal political contribution tax credit (item 119)

644

Federal political contributions

646

Federal qualifying environmental trust tax credit (item 120)

648

Investment tax credit from Schedule 31 (item 121)

652

Subtotal 38,758

38,758 F

**Part I tax payable** - Line E minus line F (enter amount G on line 700 on page 8) (item 122)

19,558 G

**Summary of tax and credits****Federal tax**

Part I tax payable from page 7 (item 123)	700	19,558
Part I.3 tax payable from Schedule 33, 34, or 35 (item 124)	704	
Part II surtax tax payable from Schedule 46 (item 125)	708	
Part IV tax payable from Schedule 3 (item 126)	712	
Part IV.1 tax payable from Schedule 43 (item 127)	716	
Part VI tax payable from Schedule 38 (item 128)	720	
Part VI.1 tax payable from Schedule 43 (item 129)	724	
Part XIII.1 tax payable from Schedule 92 (item 130)	727	
Part XIV tax payable from Schedule 20 (item 131)	728	

Total federal tax 19,558

**Add provincial and territorial tax**

Provincial or territorial jurisdiction (item 132) 750 ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario and Alberta) (item 133) 760

Provincial tax on large corporations (New Brunswick and Nova Scotia) (item 147) 765

Total tax payable 770 19,558 A

**Deduct other credits**

Investment tax credit refund from Schedule 31 (items 148)	780
Dividend refund from Page 6 (items 149)	784
Federal capital gains refund from Schedule 18 (item 150)	788
Federal qualifying environmental trust tax credit refund (item 151)	792
Canadian film or video production tax credit refund from Form T1131 (item 152)	796
Film or video production services tax credit refund from Form T1177 (item 153)	797
Tax withheld at source (item 154)	800
Total payments on which tax has been withheld (item 154) 801	
Allowable refund for non-resident-owned investment corporations - Schedule 26 (item 155)	804
Provincial and territorial capital gains refund from Schedule 18 (item 156)	808
Provincial and territorial refundable tax credits from Schedule 5 (item 157)	812
Royalties deductible under Syncrude Remission Order 815	
Tax remitted under Syncrude Remission Order (item 158)	816
Tax instalments paid (item 159)	840

Total credits 890

Refund Code 894 ☐

Overpayment (item 163)

Balance (line A minus line B) 19,558 I

**Direct Deposit Request** (item 164)

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.

We do not charge or refund a difference of less than \$2.

Balance unpaid (item 163) 19,558

Enclosed payment (item 162) 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 is due? (item 161)

896 1 Yes ☒ 2 No ☐ NA ☐**Certification** (item 165)

950 Enright Surname 951 Thomas First name 954 Chairman Position, office or rank

955 2005/06/30 Date 956 (519) 245-2010 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 Name 959 ( ) Telephone number

**Language of correspondence - Langue de correspondance** (item 166)990 Language of choice/Langue de choix 1 English / Anglais ☒ 2 Français / French ☐

Canada Customs  
and Revenue AgencyAgence des douanes  
et du revenu du Canada**NET INCOME (LOSS) FOR INCOME TAX PURPOSES****Schedule 1**

- 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.

Net income (loss) after taxes and extraordinary items per financial statements			<b>A</b>	122,580
<b>Add:</b>				
Provision for income taxes - current	101	39,933		
Amortization of tangible assets	104	494,680		
Total of fields 101 to 199	500	534,613	▶	534,613
<b>Deduct:</b>				
Capital cost allowance - Schedule 8	403	480,975		
Cumulative eligible capital deduction - Schedule 10	405	27,149		
Total of fields 401 to 499	510	508,124	▶	508,124
<b>Net income (loss) for income tax purposes</b> (enter on line 300 of the T2 return)				149,069

Canada Customs  
and Revenue AgencyAgence des douanes  
et du revenu du Canada**CAPITAL COST ALLOWANCE****Schedule 8**Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

1 Class	2 UCC at start of year	3 Cost of additions in the year	4 Net adjustments	5 Proceeds of dispositions in the year	7 Adjustment for additions (1/2 x (col 3 - 5))	8 Base amount for CCA	9 Rate %	10 CCA for the year (col 8 x 9 or a lower amount)	11 Recapture of CCA	12 Terminal loss	13 UCC at the end of the year
<b>200</b>	<b>201</b>	<b>203</b>	<b>205</b>	<b>207</b>	<b>211</b>		<b>212</b>	<b>217</b>	<b>213</b>	<b>215</b>	<b>220</b>
1	5,236,734	238,902			119,451	5,356,185	4	214,247			5,261,389
2	3,036,107	22,986			11,493	3,047,600	6	182,856			2,876,237
8	115,894					115,894	20	23,179			92,715
10	202,309					202,309	30	60,693			141,616
<b>Totals</b>	<b>8,591,044</b>	<b>261,888</b>			<b>130,944</b>	<b>8,721,988</b>		<b>480,975</b>			<b>8,371,957</b>

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

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

Name	Country (if not Canada) 200	Business # (Canadian corporation only) 300	Code note 1	Common shares		Preferred shares		Book value of capital stock
				# owned	% owned	# owned	% owned	
Middlesex Power Corporation		88102 2925 RC 0001	1	500	550	600	650	700
Middlesex Energy Services Corporation		86965 3329 RC 0001	3	4,631,198	100.000			4,631,198
Note 1 : Enter the code number of the relationship that applies: 1- Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated								

**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION****Schedule 10****Part 1 - Calculation of current year deduction and carry-forward**

<b>Cumulative eligible capital</b> - balance the end of the preceding taxation year (if negative, enter "0")	<b>200</b>	<b>387,839</b>	<b>A</b>
<b>Add:</b> Cost of eligible capital property acquired during the taxation year	<b>222</b>		
Other adjustments	<b>226</b>		
Subtotal (line 222 plus line 226)		x 3/4 =	<b>B</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	<b>228</b>	x 1/2 =	<b>C</b>
amount B minus amount C (if negative, enter "0")			<b>D</b>
Amount transferred on amalgamation or wind-up of subsidiary		<b>224</b>	<b>E</b>
Subtotal (add amounts A, D, and E)	<b>230</b>	<b>387,839</b>	<b>F</b>
<b>Deduct:</b> Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	<b>242</b>		<b>G</b>
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	<b>244</b>		<b>H</b>
Other adjustments	<b>246</b>		<b>I</b>
(add amounts G, H, and I)		x 3/4 =	<b>248</b>
<b>Cumulative eligible capital balance</b> (amount F minus amount J)			<b>387,839</b>
(if amount K is negative, enter "0" at line M and proceed to Part 2)			<b>K</b>
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	<b>249</b>		
amount K	<b>387,839</b>		
less amount from line 249			
<b>Current year deduction</b>	<b>387,839</b>	x 7% =	<b>27,149</b>
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		<b>27,149</b>	<b>L</b>
<b>Cumulative eligible capital - Closing balance</b> (amount K minus amount L) (if negative, enter "0")	<b>300</b>	<b>360,690</b>	<b>M</b>

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

Amount from line K (show as positive amount)			<b>N</b>
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988	<b>400</b>	<b>1</b>	
Total of all amounts which reduced CEC in the current or prior years under subsection 80 (7)	<b>401</b>	<b>2</b>	
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	<b>402</b>	<b>3</b>	
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	<b>408</b>	<b>4</b>	
Line 3 minus line 4 (if negative, enter "0")		<b>5</b>	
Total of lines 1, 2, and 5		<b>6</b>	
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		<b>7</b>	
Amounts at line T from Schedule 10 ending after February 27, 2000		<b>8</b>	
Subtotal (line 7 plus line 8)	<b>409</b>	<b>9</b>	
Line 6 minus line 9 (if negative, enter "0")			<b>O</b>
Line N minus line O (if negative, enter "0")			<b>P</b>
Line 5		x 1/2 =	<b>Q</b>
Line P minus line Q (if negative, enter "0")			<b>R</b>
Amount R		x 66.6667	<b>S</b>
Amount N or amount O, whichever is less			<b>T</b>
<b>Amount to be included in income</b> (amount S plus amount T) (enter this amount on line 108 of Schedule 1)	<b>410</b>		



**AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO  
ALLOCATE THE BUSINESS LIMIT (2003 and later taxation years)**

- 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.

**Allocation of the business limit**Date filed (for departmental use only) **025**Enter the calendar year to which the agreement applies **050** 2004Is 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 ☒ 2 No

1 Names of associated corporations		2 Business Number of associated corporations	3 Association code
100		200	300
1	Middlesex Power Distribution Corporation	86570 1635 RC 0001	1
2	Middlesex Power Corporation	88102 2925 RC 0001	1
3	Middlesex Energy Services Corporation	86965 3329 RC 0001	1

Allocate business limit using: ☒ % ☐ \$

Taxation year			Allocating business limit		
			4 Business limit for the year (before allocation) \$	5 Percentage of the business limit (%)	6 Business limit allocated \$
Start End				7 Gross Part I,3 tax for business limit reduction	
			350	400	
1	2004/01/01	2004/12/31	250,000	80.000	200,000
2	2004/01/01	2004/12/31	250,000		
3	2004/01/01	2004/12/31	250,000	20.000	50,000
TOTALS				100.000	A 250,000

If the taxation year of the corporation filing this form is less than 51 weeks, enter the prorated business limit in this box.

\$ 200,000

**SHAREHOLDER INFORMATION****Schedule 50**

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 <b>100</b>	Business Number * <b>200</b>	Social Insurance Number * <b>300</b>	Percentage common shares <b>400</b>	Percentage preferred shares <b>500</b>
Middlesex Power Corporation	88102 2925 RC 0001		100.000	
	RC			

\* If the shareholder is a trust, enter NR at field 200 or NA at field 300.



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

Account No.  
**1800268**

**35**  
PX5003

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
C/O THOMAS ENRIGHT  
351 FRANCES ST

**STRATHROY** **ON**  
**N7G 2C7**

## Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998

Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

20041231

Payment Amount: \$

1,446.41

Taxation Year End: (YYYYMMDD)

20041231

Payment Amount: \$

1,446.41

**Total Payment Enclosed:**

\$ 1,446.41



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

Account No.	Assessment Date (year, month, day)	Page
<b>1800268</b>	2005/07/18	4 of 4

**MIDDLESEX POWER DISTRIBUTION CORPORATION**  
**ASSESSMENT NO. 14**

Tax: Federal and Provincial PIL  
Assessment Interest  
Total Assessment Liability

45,279.00  
1,443.36  
46,722.36

### SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

45,279.00CR

Sub-Total

TAXATION YEAR BALANCE DUE \*\*

45,279.00CR  
1,443.36

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

Interest  
to July 29

3.05  
1,446.41

\*\*Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC). The current interest rate is 0.0191780%.

#### Tax (Re)Assessment Enquiries:

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

#### Account Billing Enquiries & Change of Address Information:

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

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