

## T2 CORPORATION INCOME TAX RETURN

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, including proposed legislation, see the corresponding items in the *2000 T2 Corporation Income Tax Guide*.

Send one completed copy of this return, including schedules, and the *General Index of Financial Information* (GIFI) to your tax services office or to the tax centre that serves the corporation. 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

TAX FILE COPY

## Identification

Business Number (BN) ..... 001 869077925RC0001

002 Corporation's name

Newmarket Hydro Ltd.

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

## Address of head office

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

011 590 Stevens Court

City Province, territory, or state  
015 Newmarket 016 ON

Country (other than Canada) Postal Code/ZIP code

017 018 L3Y-6Z2

Mailing address (if different from head office address)  
Has the address changed since the last time we were notified?020 1 Yes ☐ 2 No ☒

021 c/o

City Province, territory, or state  
025 026

Country (other than Canada) Postal code/ZIP code

027 028

## Location of books and records

031 590 Stevens Court

City Province, territory, or state  
035 Newmarket 036 ON

Country (other than Canada) Postal Code/ZIP code

037 038 L3Y-6Z2

## 040 Type of corporation at the end of the taxation year

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

If not private (3, 4 or 5), is the corporation subject to Part IV tax? Yes ☐ No ☐

If the type of corporation changed during the taxation year, please provide the effective date of the change ..... 043 YYYY/MM/DD

## To which taxation year does this return apply?

Taxation year start

Taxation year end

060 2001-10-01  
YYYY/MM/DD061 2001-12-31  
YYYY/MM/DDHas there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? ..... 063 1 Yes ☐ 2 No ☒

If yes, provide the date control was acquired ..... 065 YYYY/MM/DD

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

## Is this the first year of filing after:

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

If yes, please provide Schedule 24

Has there been a windup of a subsidiary under section 88 during the current taxation year? ..... 072 1 Yes ☐ 2 No ☒  
If yes, please provide Schedule 24Is this the final taxation year before amalgamation? ..... 076 1 Yes ☐ 2 No ☒Is this the final return up to dissolution? ..... 078 1 Yes ☐ 2 No ☒

## Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If no, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty?

If yes, please provide Schedule 91 ..... 082 1 Yes ☐ 2 No ☒

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

- 085 1 ☐ Exempt under 149(1)(e) or (f)
- 2 ☐ Exempt under 149(1)(g)
- 3 ☐ Exempt under 149(1)(i)
- 4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096
097					

# **Attachments**

**Financial statement information:** For taxation years ending in 2000 and later, 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? .....	<input checked="" type="checkbox"/>	9
28 Does the corporation have any non-resident shareholders? .....	<input type="checkbox"/>	19
29 Is the corporation an associated Canadian-controlled private corporation? .....	<input checked="" type="checkbox"/>	23
30 Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit? .....	<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 .....	<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? .....	<input type="checkbox"/>	44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? .....	<input type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan? .....	<input type="checkbox"/>	15
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989? .....	<input type="checkbox"/>	T5004
38 Is the corporation a member of a partnership for which a partnership identification number has been assigned? .....	<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? .....	<input type="checkbox"/>	22
41 Did the corporation have any foreign affiliates during the year? .....	<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> ? .....	<input type="checkbox"/>	29
43 Has the corporation had any non-arm's-length transactions with a non-resident? .....	<input type="checkbox"/>	T106
Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year? .....	<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? .....	<input checked="" type="checkbox"/>	50
53 Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes? .....	<input checked="" type="checkbox"/>	1
76-79 Has the corporation made any charitable donations, gifts to Canada or a province, or gifts of cultural or ecological property? .....	<input type="checkbox"/>	2
80,102 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund? .....	<input type="checkbox"/>	3
67-74 Is the corporation claiming any type of losses? .....	<input checked="" type="checkbox"/>	4
128 Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than one jurisdiction? .....	<input type="checkbox"/>	5
54 Has the corporation realized any capital gains or incurred any capital losses during the taxation year? .....	<input type="checkbox"/>	6
100 i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax? .....	<input type="checkbox"/>	7
55 Does the corporation have any property that is eligible for capital cost allowance? .....	<input checked="" type="checkbox"/>	8
56 Does the corporation have any property that is eligible capital property? .....	<input checked="" type="checkbox"/>	10
57 Does the corporation have any resource-related deductions? .....	<input type="checkbox"/>	12
58 Is the corporation claiming reserves of any kind? .....	<input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction? .....	<input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction? .....	<input type="checkbox"/>	17
146 Is the corporation an investment corporation or a mutual fund corporation? .....	<input type="checkbox"/>	18
127 Was the corporation carrying on business in Canada while not a Canadian corporation? .....	<input type="checkbox"/>	20 *
115 Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits? .....	<input type="checkbox"/>	21
151 Is the corporation a non-resident-owned investment corporation claiming an allowable refund? .....	<input type="checkbox"/>	26 *
108 Does the corporation have any Canadian manufacturing and processing profits? .....	<input type="checkbox"/>	27
118 Is the corporation claiming an investment tax credit? .....	<input type="checkbox"/>	31
61 Is the corporation claiming any scientific research and experimental development expenditures? .....	<input type="checkbox"/>	T661
121 Is the corporation subject to gross Part 1.3 tax? .....	<input checked="" type="checkbox"/>	33/34/35
121 Is the corporation a member of a related group with one or more members subject to gross Part 1.3 tax? .....	<input checked="" type="checkbox"/>	36
121 Is the corporation claiming a surtax credit? .....	<input type="checkbox"/>	37
125 Is the corporation subject to gross Part VI tax on capital of financial institutions? .....	<input type="checkbox"/>	38
125 Is the corporation claiming a Part I tax credit? .....	<input type="checkbox"/>	42
126 Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid? .....	<input type="checkbox"/>	43
126 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax? .....	<input type="checkbox"/>	45
122 Is the corporation subject to Part II - Tobacco Manufacturers' surtax? .....	<input type="checkbox"/>	46
125 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? .....	<input type="checkbox"/>	39
125 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? .....	<input type="checkbox"/>	40
125 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? .....	<input type="checkbox"/>	41
148 Is the corporation claiming a Canadian film or video production tax credit refund? .....	<input type="checkbox"/>	T1131

Attachments - continued from page 2

Guide Item	Yes	Schedule
149 Is the corporation claiming a film or video production services tax credit refund? .....	254	<input type="checkbox"/> T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates? .....	255	<input type="checkbox"/> T1134-A
44 Did the corporation have any controlled foreign affiliates? .....	256	<input type="checkbox"/> T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000? .....	257	<input type="checkbox"/> T1135
44 Did the corporation transfer or loan property to a non-resident trust? .....	258	<input type="checkbox"/> T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year? .....	259	<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
— Is the corporation claiming the BC mining exploration tax credit? .....		<input type="checkbox"/> 421
— Is the corporation claiming the BC SR&ED tax credit? .....		<input type="checkbox"/> T666

Additional information

Is the corporation inactive? ..... 280 1 Yes ☐ 2 No ☒

Is the major business activity changed since the last return was filed? (enter yes for first time filers) ..... 281 1 Yes ☐ 2 No ☒

What is the corporation's major business activity? ..... 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 ..... 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284 <u>dist. of elec. power</u>	285 <u>100</u> %
286 _____	287 <u>0</u> %
288 _____	289 <u>0</u> %

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL .....	300	<u>-205,926</u> A
<b>Subtract:</b> Charitable donations from Schedule 2 .....	311	<u>0</u>
Gifts to Canada or a province from Schedule 2 .....	312	<u>0</u>
Cultural gifts from Schedule 2 .....	313	<u>0</u>
Ecological gifts from Schedule 2 .....	314	<u>0</u>
Taxable dividends deductible under section 112, 113, or subsection 138(6) from Schedule 3 .....	320	<u>0</u>
Part VI.1 tax deduction from Schedule 43 .....	325	<u>0</u>
Non-capital losses of preceding taxation years from Schedule 4 .....	331	<u>0</u>
Net-capital losses of preceding taxation years from Schedule 4 .....	332	<u>0</u>
Restricted farm losses of preceding taxation years from Schedule 4 .....	333	<u>0</u>
Farm losses of preceding taxation years from Schedule 4 .....	334	<u>0</u>
Limited partnership losses of preceding taxation years from Schedule 4 .....	335	<u>0</u>
Taxable capital gains or taxable dividends allocated from a central credit union .....	340	<u>0</u>
Prospector's and grubstaker's shares .....	350	<u>0</u>
Subtotal .....		<u>0</u> B
Subtotal (amount A minus amount B) .....		<u>0</u> C
<b>Add:</b> Section 110.5 additions .....	355	<u>0</u> D
Taxable income (amount C plus amount D) .....	360	<u>0</u>
Income exempt under paragraph 149(1)(l) .....	370	<u>0</u>
Taxable income for a corporation with exempt income under paragraph 149(1)(l) (line 360 minus line 370) .....		<u>0</u> Z

### Small business deduction

#### Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7	400	0	A
Taxable 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, and minus any amount that, because of federal law is exempt from Part I tax	405	0	B
Business limit (for associated corporations, enter business limit from Schedule 23)	410	0	C
<b>Reduction to business limit:</b>			
Amount C <u>0</u> x <u>415**</u> <u>0</u> D = <u>11,250</u>		0	E
Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	0	F
Small business deduction - 16.00% of the least of amounts A, B, C, and F (enter amount G on line 9 of page 7)	430	0	G

\* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on CCPC's investment income (line 604).

\*\* Large corporation tax for preceding year - Enter the total gross Part I.3 tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporations, see Schedule 23 for the special rules that apply.

### Accelerated tax reduction

#### Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)	0 x 3/2 =	0	A
Net active business income (amount from line 400) *		0	B
Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636 on page 7		0	C
<b>Deduct:</b>			
Aggregate investment income (amount from line 440 of page 6)		0	D
Amount C minus amount D (if negative, enter "0")		0	E
The least of amounts A, B, or E above		0	F
Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	G
Amount QQ from Part 13 of Schedule 27		0	H
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =	0	I
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	J
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction		0	K
Total of amounts G, H, I, J, and K		0	L
Amount F minus amount L (if negative, enter "0")		0	M
Amount M <u>0</u> x <u>Number of days in the taxation year after December 31, 2000</u> <u>92</u> = <u>0</u> N	<u>Number of days in the taxation year</u> <u>92</u>		
Accelerated tax reduction - 7% of amount N (enter amount O on line 637 of page 7)		0	O

\* Specified partnerships need to use Schedule 70 to calculate net active business income, if the amount at line 450 of Schedule 7 is positive.

### General tax reduction for Canadian-controlled private corporations

#### Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 or amount Z of page 3	0	A
Amount Z from Part 9 of Schedule 27	0 x 100/7	0 B
Amount QQ from Part 13 of Schedule 27		0 C
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =	0 D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0 E
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction on page 4		0 F
Aggregate investment income from line 440 of page 6		0 G
Amount used to calculate the accelerated tax reduction (amount M of page 4)		0 H
Total of amounts B, C, D, E, F, G, and H		0 I
Amount A minus amount I (if negative, enter "0")		0 J
Amount J	0 x $\frac{\text{Number of days in the taxation year in 2001}}{\text{Number of days in the taxation year}}$	$\frac{92}{92} \times 1\% = 0$ K
Amount J	0 x $\frac{\text{Number of days in the taxation year in 2002}}{\text{Number of days in the taxation year}}$	$\frac{0}{92} \times 3\% = 0$ L
Amount J	0 x $\frac{\text{Number of days in the taxation year in 2003}}{\text{Number of days in the taxation year}}$	$\frac{0}{92} \times 5\% = 0$ M
Amount J	0 x $\frac{\text{Number of days in the taxation year after 2003}}{\text{Number of days in the taxation year}}$	$\frac{0}{92} \times 7\% = 0$ N
General tax reduction for Canadian-controlled private corporations - Total of amounts K, L, M and N (enter amount O on line 638 of page 7)		0 O

### General tax reduction

#### 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 or amount Z of page 3	0	A
Amount Z from Part 9 of Schedule 27	0 x 100/7	0 B
Amount QQ from Part 13 of Schedule 27		0 C
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =	0 D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0 E
Total of amounts B, C, D, and E		0 F
Amount A minus amount F (if negative, enter "0")		0 G
Amount G	0 x $\frac{\text{Number of days in the taxation year in 2001}}{\text{Number of days in the taxation year}}$	$\frac{92}{92} \times 1\% = 0$ H
Amount G	0 x $\frac{\text{Number of days in the taxation year in 2002}}{\text{Number of days in the taxation year}}$	$\frac{0}{92} \times 3\% = 0$ I
Amount G	0 x $\frac{\text{Number of days in the taxation year in 2003}}{\text{Number of days in the taxation year}}$	$\frac{0}{92} \times 5\% = 0$ J
Amount G	0 x $\frac{\text{Number of days in the taxation year after 2003}}{\text{Number of days in the taxation year}}$	$\frac{0}{92} \times 7\% = 0$ K
General tax reduction - Total of amounts H, I, J and K (enter amount L on line 639 of page 7)		0 L

Corporation's name  
Newmarket Hydro Ltd.

Business Number  
869077925RC0001

Taxation year-end  
2001-12-31

**Refundable portion of Part I tax**

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income ..... 440 0 x 26 2/3% = ..... 0 A  
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 ..... 0

**Deduct:**

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

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

Taxable income from line 360 on page 3 ..... 0

**Deduct:**

Least of amounts on lines 400, 405, 410, and 425 on page 4 ... 0

Foreign non-business  
income tax credit from  
line 632 of page 7 ..... 0 x 25/9 = ..... 0

Foreign business income  
tax credit from line 636  
of page 7 ..... 0 x 10/4 = ..... 0  
..... 0

..... 0 x 26 2/3% = ..... 0 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 0

Deduct corporate surtax from line 600 of page 7 ..... 0

Net amount ..... 0 E

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

**Refundable dividend tax on hand**

Refundable dividend tax on hand at the end of the preceding taxation year ..... 460 0  
Deduct dividend refund for the previous taxation year ..... 465 0  
..... 0 A

**Add the total of:**

Refundable portion of Part I tax from line 450 above ..... 0

Total Part IV tax payable from line 360 on page 2 of Schedule 3 ..... 0

Net refundable dividend tax on hand transferred from a predecessor  
corporation on amalgamation, or from a wound-up subsidiary corporation ..... 480 0  
..... 0 B

Refundable dividend tax on hand at the end of the taxation year - Amount A plus amount B ..... 485 0

**Dividend refund**

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

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 .... 0 x 1/3 ..... 0 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... 0 B

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

Corporation's name  
Newmarket Hydro Ltd.

Business Number  
869077925RC0001

Taxation year-end  
2001-12-31

**Part I tax**

Base amount of Part I tax - 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 0 A

**Corporate surtax calculation**

Base amount from line A above ..... 0 1

**Deduct:**

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 0 2

Investment corporation deduction from line 620 below ..... 0 3

Federal logging tax credit from line 640 below ..... 0 4

Federal qualifying environmental trust tax credit from line 648 below ..... 0 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:

28.00 % of taxable income from line 360 of page 3 ..... 0 a

28.00 % of taxed capital gains ..... 0 b

Part I tax otherwise payable ..... 0 c

(line A plus lines C and D minus line F)

Total of lines 2 to 6 ..... 0 7

Net amount (line 1 minus line 7) ..... 0 8

Corporate surtax - 4.00 % of the amount on line 8 ..... 600 0 B

Recapture of investment tax credit from line XX in Part 16 of Schedule 31 ..... 602 0 C

**Calculation for the refundable tax on Canadian-controlled private corporation's investment income**  
(for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6 ..... 0 i

Taxable income from line 360 on page 3 ..... 0

**Deduct:**

The least of amounts on lines 400, 405, 410, and 425 of page 4 .. 0

Net amount ..... 0 ii

Refundable tax on CCPC's investment income - 6 2/3% of the lesser of amounts i or ii ..... 604 0 D

Subtotal (add lines A, B, C, and D) ..... 0 E

**Deduct:**

Small business deduction from line 430 of page 4 ..... 0 9

Federal tax abatement ..... 608 0

Manufacturing and processing profits deduction from amount BB or amount VV of Schedule 27 ..... 616 0

Investment corporation deduction ..... 620 0

(taxed capital gains 624 0)

Additional deduction - credit unions from Schedule 17 ..... 628 0

Federal foreign non-business income tax credit from Schedule 21 ..... 632 0

Federal foreign business income tax credit from Schedule 21 ..... 636 0

Accelerated tax reduction from amount O of page 4 ..... 637 0

General tax reduction for CCPCs from amount O of page 5 ..... 638 0

General tax reduction from amount L of page 5 ..... 639 0

Federal logging tax credit from Schedule 21 ..... 640 0

Federal political contribution tax credit ..... 644 0

Federal political contributions 646 0

Federal qualifying environmental trust tax credit ..... 648 0

Investment tax credit from Schedule 31 ..... 652 0

Part VI tax credit from Schedule 42 ..... 656 0

Part I.3 tax credit from Schedule 37 ..... 660 0

Subtotal ..... 0 F

Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8) ..... 0 G

### Summary of tax and credits

#### Federal tax

Part I tax payable from page 7	700	0
Part I.3 tax payable from Schedule 33, 34, or 35	704	24,589
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		24,589

#### Add provincial and territorial tax:

Provincial or territorial jurisdiction ..... 750 ON

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

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta) ..... 760 0

Provincial tax on large corporations (New Brunswick and Nova Scotia) ..... 765 0

Total tax payable 770 24,589 A

#### Deduct other credits:

Investment tax credit refund from Schedule 31 ..... 780 0

Dividend refund from page 6 ..... 784 0

Federal capital gains refund from Schedule 18 ..... 788 0

Federal qualifying environmental trust tax credit refund ..... 792 0

Canadian film or video production tax credit refund from Form T1131 ..... 796 0

Film or video production services tax credit refund from Form T1177 ..... 797 0

Tax withheld at source ..... 800 0

Total payments on which tax has been withheld ..... 801 0

Allowable refund for non-resident-owned investment corporations from Schedule 26 ..... 804 0

Provincial and territorial capital gains refund from Schedule 18 ..... 808 0

Provincial and territorial refundable tax credits from Schedule 5 ..... 812 0

Royalties deductible under Syncrude Remission Order 815 0

Tax remitted under Syncrude Remission Order ..... 816 0

Tax instalments paid ..... 840 24,589

Total credits 890 24,589 24,589 B

Refund code 894 0 Overpayment 0

Balance (line A minus line B) 0

#### Direct deposit request

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

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

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

Balance unpaid 0

Enclosed payment 898 0

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

896 1 Yes ☐ 2 No ☒

### Certification

I, 950 Weir 951 Dave 954 Chief Financial Officer

Last name in block letters First name in block letters Position, office or rank

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

955 Date (yyyy/mm/dd) Signature of an authorized signing officer of the corporation

956 9059538548 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 in block letters

959 Telephone number

### Language of correspondence - Langue de correspondance

990 Please indicate the language of your choice.  
Indiquer la langue de correspondance de votre choix.

1 English/Anglais

☒ 2 Français/French



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

**NET INCOME (LOSS) FOR INCOME TAX PURPOSES**

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

Net income (loss) after taxes and extraordinary items per financial statements..... -365,569 A

**Additions:**

Provision for income taxes - current.....	<input type="checkbox"/> 101	24,500	
Amortization of tangible assets.....	<input type="checkbox"/> 104	569,237	
Non-deductible meals and entertainment expenses.....	<input type="checkbox"/> 121	1,344	
Reserves from financial statements - balance at the end of the year.....	<input type="checkbox"/> 126	25,000	<i>ATD A</i>
		<hr/>	
Subtotal of additions.....		620,081	620,081

**Other Additions:****Miscellaneous Other Additions:**

<input type="checkbox"/> 600 Employee Future Benefits Expensed.....	<input type="checkbox"/> 290	7,516	
<input type="checkbox"/> 601 Funds from dvlp'r re: distrib assets (para 12(1)(x)).....	<input type="checkbox"/> 291	610,486	<i>- capital contributions</i>
<input type="checkbox"/> 602 Ontario capital tax per book.....	<input type="checkbox"/> 292	35,101	
<input type="checkbox"/> 603a.....	0		
<input type="checkbox"/> 603b.....	0		
	<input type="checkbox"/> 293	0	
<input type="checkbox"/> 604a.....	0		
<input type="checkbox"/> 604b.....	0		
	<input type="checkbox"/> 294	0	
		<hr/>	
Subtotal of Other Additions.....	<input type="checkbox"/> 199	653,103	653,103
		<hr/>	
<b>Total Additions</b> .....	<input type="checkbox"/> 500	1,273,184	1,273,184

**Deductions:**

Capital cost allowance from Schedule 8.....	<input type="checkbox"/> 403	373,052	
Cumulative eligible capital deduction from Schedule 10.....	<input type="checkbox"/> 405	40,526	
Reserves from financial statements - balance at the beginning of the year.....	<input type="checkbox"/> 414	21,297	
		<hr/>	
Subtotal of Deductions.....		434,875	434,875

**Other Deductions:****Miscellaneous Other Deductions:**

<input type="checkbox"/> 700 Funds from dvlp'r re: distrib. asset - elect. ss13(7.4).....	<input type="checkbox"/> 390	610,486	
<input type="checkbox"/> 701 Transition costs capitalized in year.....	<input type="checkbox"/> 391	22,646	
<input type="checkbox"/> 702 Allowable lease vehicle expense - incl in amort.....	<input type="checkbox"/> 392	6,483	
<input type="checkbox"/> 703 Ontario Capital Tax.....	<input type="checkbox"/> 393	36,664	
<input type="checkbox"/> 704 Gain on disposal of assets.....	<input type="checkbox"/> 394	2,387	
		<hr/>	
Subtotal of Other Deductions.....	<input type="checkbox"/> 499	678,666	678,666
		<hr/>	
<b>Total Deductions</b> .....	<input type="checkbox"/> 510	1,113,541	1,113,541

Net income (loss) for income tax purposes..... -205,926

(enter on line 300 on the T2 return)

=====

Newmarket Hydro Ltd.

Account/Business No.: 869077925RC0001

Year Ended: 2001-12-31

Sch. 001

T2 SCH 1 E (01)

(Ce formulaire existe en français.)

**Newmarket Hydro Ltd.**

**ELECTION UNDER SUBSECTION 13(7.4)**

The company hereby elects under subsection 13(7.4) of the Income Tax Act to reduce the capital cost of depreciable property of class 1 acquired in the taxation year by an amount of \$610,486 received in the taxation year in respect of that property that would otherwise be included in income under paragraph 12(1)(x).

---

Authorized Signing Officer

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

**CORPORATION LOSS CONTINUITY AND APPLICATION****(2000 and later taxation years)**

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232, "Losses - Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs, referred to on this schedule are from the federal "Income Tax Act."

**Part 1 - Non-capital losses****Determination of current-year non-capital loss**

Income (loss) for income tax purposes .....		-205,926	
<b>Deduct: (increase a loss)</b>			
Net capital losses deducted in the year			
(enter as a positive amount) .....	0		
Taxable dividends deductible under sections 112, 113, or subsection 138(6) .....	0		
Amount of Part VI.1 tax deductible .....	0		
Amount deductible as prospector's and grubstaker's shares			
- Paragraph 110(1)(d.2) .....	0	0	
			-----
	Subtotal (if positive, enter "0")	-205,926	
<b>Deduct: (increase a loss)</b>			
Section 110.5 - Addition for foreign tax deductions .....		0	
			-----
	Subtotal	-205,926	
<b>Add: (decrease a loss)</b>			
Current-year farm loss .....		0	
			-----
Current-year non-capital loss (if positive, enter "0") .....		-205,926	
			=====

**Continuity of non-capital losses and request for a carryback**

Non-capital loss at the end of preceding taxation year .....		0	
<b>Deduct: Non-capital loss expired after seven taxation years .....</b>	<b>100</b>	0	
Non-capital losses at beginning of			
taxation year .....	<b>102</b>	0	
<b>Add: Non-capital losses transferred on amalgamation or</b>			
wind-up of subsidiary corporation .....	<b>105</b>	0	
Current-year non-capital loss (from calculation above) .....	<b>110</b>	205,926	205,926

## Continuity of non-capital losses and request for a carryback (cont'd)

## Deduct:

Amount applied against taxable income (enter on line 331 of the T2 return) .....	130	0	
Amount applied against taxable dividends subject to Part IV tax .....	135	0	
Section 80 - Adjustments for forgiven amounts .....	140	0	
Subsection 111(10) - Adjustments for fuel tax rebate .....		0	
Other adjustments .....	150	0	0
			-----
		Subtotal	205,926

## Deduct - Request to carry back non-capital loss to:

First preceding taxation year to reduce taxable income .....	901	0	
Second preceding taxation year to reduce taxable income .....	902	0	
Third preceding taxation year to reduce taxable income .....	903	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax .....	911	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax .....	912	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax .....	913	0	0
			-----
Non-capital losses - Closing balance .....	180		205,926
			=====

## Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator .....

190 Yes [ ]

Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

## Part 2 - Capital losses

## Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year .....	200	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation .....	205	0	
Current-year capital loss (from Schedule 6 calculation) .....	210	0	0
Adaptable business investment loss expired as non-capital loss .....	220	0	
			-----
		Subtotal	0

## Deduct:

Amount applied against current-year capital gain (see note 1) .....	225	0	
Section 80 - Adjustments for forgiven amounts .....	240	0	
Other adjustments .....	250	0	0
			-----
		Subtotal	0

## Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)	Inclusion Rate		Amount carried back (100%)	
First preceding taxation year .....	0	0.00	951	0	
Second preceding taxation year .....	0	0.00	952	0	
Third preceding taxation year .....	0	0.00	953	0	0
					-----
Capital losses - Closing balance .....			280		0
					=====

**Part 2 - Capital losses****Continuity of capital losses and request for a carryback (cont'd)**

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4.

Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3.

For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determined by dividing the total taxable capital gain by the total capital gain.

**Note 1**

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

**Note 2**

Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss is applied.

**Part 3 - Farm losses****Continuity of farm losses and request for a carryback**

Farm losses at end of preceding taxation year .....		0	
<b>Deduct:</b> Farm loss expired after 10 taxation years .....	300	0	
Losses at beginning of taxation year .....	302	0	
<b>Add:</b> Farm losses transferred on amalgamation or wind-up of subsidiary corporation .....	305	0	
Current-year farm loss .....	310	0	0
<b>Deduct:</b>			
Amount applied against taxable income (enter on line 334 of the T2 return) .....	330	0	
Amount applied against taxable dividends subject to Part IV tax .....	335	0	
Section 80 - Adjustment forgiven amount .....	340	0	
Other adjustments .....	350	0	0
		Subtotal	0
<b>Deduct - Request to carry back farm loss to:</b>			
First preceding taxation year to reduce taxable income .....	921	0	
Second preceding taxation year to reduce taxable income .....	922	0	
Third preceding taxation year to reduce taxable income .....	923	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax .....	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax .....	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax .....	933	0	0
Farm losses - Closing balance .....	380		0
			=====

**Restricted Farm Loss Determination:**

Is the corporation exempt from the restricted farm loss rules?

(A reply of "NO" triggers the restricted farm loss rules.) ..... [Y/N] [ Y ]

**Part 4 - Restricted farm losses****Current-year restricted farm loss**

Total losses for the year from farming business.....	485	0	A
Minus the deductible farm loss:			
\$2,500 plus B or C, whichever is less.....	2,500		
(Amount A above 0 - \$2,500) divided by 2 = 0 B			
	6,250 C	0	2,500
Current-year restricted farm loss (enter this amount on line 410).....		0	
		=====	

**Continuity of restricted farm losses and request for a carryback**

Restricted farm losses at end of preceding taxation year.....	0		
Deduct: Restricted farm loss expired after 10 taxation years.....	400	0	
Restricted farm losses at beginning of taxation year.....	402	0	
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation.....	405	0	
Current-year restricted farm loss (enter on line 233 of Schedule 1).....	410	0	0
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return).....	430	0	
Section 80 - Adjustments for forgiven amounts.....	440	0	
Other adjustments.....	450	0	0
		-----	
	Subtotal	0	
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income.....	941	0	
Second preceding taxation year to reduce farming income.....	942	0	
Third preceding taxation year to reduce farming income.....	943	0	0
		-----	
Restricted farm losses - Closing balance.....	480	0	
		=====	

**Note**

The total losses for the year from all farming businesses are computed without including any scientific research expenses.

**Part 5 - Listed personal property losses****Continuity of listed personal property loss and request for a carryback**

Listed personal property losses at end of preceding taxation year.....	0		
Deduct: Listed personal property loss expired after seven taxation years.....	500	0	
Listed personal property losses at beginning of taxation year.....	502	0	
Add: Current-year listed personal property loss (from Schedule 6).....	510	0	
		-----	
	Subtotal	0	
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6).....	530	0	
Other adjustments.....	550	0	0
		-----	
	Subtotal	0	
Deduct - Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains.....	961	0	
Second preceding taxation year to reduce listed personal property gains.....	962	0	
Third preceding taxation year to reduce listed personal property gains.....	963	0	0
		-----	
Listed personal property losses - Closing balance.....	580	0	
		=====	

Part 6 - Analysis of balance of losses by year of origin

Non-capital losses							
Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	205,926	0	0	N/A	0	205,926
2001	0	N/A	0	N/A	0	0	0
2000	0	N/A	0	N/A	0	0	0
1999	0	N/A	0	N/A	0	0	0
1998	0	N/A	0	N/A	0	0	0
1997	0	N/A	0	N/A	0	0	0
1996	0	N/A	0	N/A	0	0	0
1995	0	N/A	0	N/A	0	0	0 *
Total	0	205,926	0	0	0	0	205,926

Farm losses							
Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	0	0	0	N/A	0	0
2001	0	N/A	0	N/A	0	0	0
2000	0	N/A	0	N/A	0	0	0
1999	0	N/A	0	N/A	0	0	0
1998	0	N/A	0	N/A	0	0	0
1997	0	N/A	0	N/A	0	0	0
1996	0	N/A	0	N/A	0	0	0
1995	0	N/A	0	N/A	0	0	0
1994	0	N/A	0	N/A	0	0	0
1993	0	N/A	0	N/A	0	0	0
1992	0	N/A	0	N/A	0	0	0 *
Total	0	0	0	0	0	0	0

Restricted farm losses							
Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	0	0	0	N/A	N/A	0
2001	0	N/A	0	N/A	0	N/A	0
2000	0	N/A	0	N/A	0	N/A	0
1999	0	N/A	0	N/A	0	N/A	0
1998	0	N/A	0	N/A	0	N/A	0
1997	0	N/A	0	N/A	0	N/A	0
1996	0	N/A	0	N/A	0	N/A	0
1995	0	N/A	0	N/A	0	N/A	0
1994	0	N/A	0	N/A	0	N/A	0
1993	0	N/A	0	N/A	0	N/A	0
1992	0	N/A	0	N/A	0	N/A	0 *
Total	0	0	0	0	0	N/A	0

\* This balance expires this year and will not be available next year



## Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	0	42,375,227	-610,486	0	21,187,613	4	0	0	207,463	41,557,278
3	0	9,330	0	0	4,665	5	0	0	59	9,271
8	0	3,426,544	0	0	1,713,272	20	0	0	86,368	3,340,176
10	0	793,290	0	0	396,645	30	0	0	29,993	763,297
12	0	381,258	0	0	190,629	100	0	0	48,049	333,209
13	0	7,220	0	0	3,610		0	0	182	7,038
17	0	93,000	0	0	46,500	8	0	0	938	92,062
Total	0	47,085,869	-610,486	0	23,542,934		0	0	373,052	46,102,331

## Newmarket Hydro Ltd.

Sch. 009

Account/Business No.: 869077925RC0001

Year Ended: 2001-12-31

## RELATED AND ASSOCIATED CORPORATIONS

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

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

Name	Ctry of resi- dence	Business Number (Note)	Rela- tion- ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of pre- ferred shares owned	Book value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
Newmarket Hydro Holdings Inc	865142632RC0001	1		0	0.00	0	0.00	0
Unipower Holdings Ltd.	865539399RC0001	3		0	0.00	0	0.00	0
1443393 Ontario Inc.	892397613RC0001	3		0	0.00	0	0.00	0
1443394 Ontario Inc.	865539191RC0001	3		0	0.00	0	0.00	0
1443396 Ontario Inc.	865538995RC0001	3		0	0.00	0	0.00	0
1443397 Ontario Inc.	892397217RC0001	3		0	0.00	0	0.00	0
1443398 Ontario Inc.	865538797RC0001	3		0	0.00	0	0.00	0
1402318 Ontario Inc	867099772RC0001	3		0	0.00	0	0.00	0

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

Relationship code:

1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

## Schedule 9

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

**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION**

- For use by a corporation that has eligible capital property. For more information, see the "T2 Corporation Income Tax Guide".
- A separate cumulative eligible capital account must be kept for each business.
- This form applies to taxation years that end after February 27, 2000.

**Part 1 - Calculation of current year deduction and carry-forward****Cumulative eligible capital - Balance at end of preceding taxation year**(if negative, enter "0") ..... **200** 0 A**Add:**Cost of eligible capital property acquired during  
the taxation year ..... **222** 3,062,548 BAmount transferred on amalgamation or wind-up  
of subsidiary ..... **224** 0 COther adjustments ..... **226** 0 D

(add amounts B, C, and D) 3,062,548 x 0.75 = 2,296,911 E

**Subtotal (amount A plus amount E) ..... 230 2,296,911 F****Deduct:**Proceeds of sale (less outlays and expenses not otherwise deductible)  
from the disposition of all eligible capital property during  
the taxation year ..... **242** 0 GThe gross amount of a reduction in respect of a forgiven debt  
obligation as provided for in subsection 80(7) ..... **244** 0 HOther adjustments ..... **246** 0 I(add amounts G, H, and I) 0 x 0.75 = **248** 0 J**Cumulative eligible capital balance (amount F minus amount J) ..... 2,296,911 K**

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

**Current year deduction ..... amount K 2,296,911 x 7.00% = 250 40,526 L**  
(enter amount L at line 405 of Schedule 1)**Cumulative eligible capital - Closing balance ..... 300 2,256,385 M**  
Amount K minus amount L (if negative, enter "0")**Note**

You can claim any amount up to the maximum deduction of 7%. For taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

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

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

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

Total of cumulative eligible capital deductions from income for  
taxation years beginning after June 30, 1988..... 400 0 1Total of all amounts which reduced cumulative eligible capital in  
the current or prior years under subsection 80(7)..... 401 0 2Total of cumulative eligible capital deductions claimed for  
taxation years beginning before July 1, 1988..... 402 0 3Negative balances in the cumulative eligible capital account  
that were included in income for taxation years beginning  
before July 1, 1988..... 403 0 4

Line 3 minus line 4..... 0 0 5

of lines 1, 2, and 5..... 0 6

Line T from Schedule 10 of previous taxation years ending  
after February 27, 2000..... 409 0 7

Line 6 minus line 7..... 0 0 O

Line N minus line O (cannot be negative)..... 0 P

Amount on line 5  $0 \times 1/2$ ..... 0 Q

Line P minus line Q..... 0 R

Amount on line R  $0 \times 2/3^*$ ..... 0 S

Lesser of line N or line O..... 0 T

Amount to be included in income on line 108 of Schedule 1,

line S plus line T

For taxation years ending before February 28, 2000,

line S - line Q..... 410 0\* For taxation years ending after February 27, 2000, and before October 18, 2000,  
use fraction 8/9 to calculate line S.

**AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS (CCPC's)  
TO ALLOCATE THE BUSINESS LIMIT (1998 and later taxation years)**

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

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

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

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

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

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

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

**Column 6:** Enter the gross Part 1.3 tax of the prior year. This is used for the business limit reduction.

**Allocation of business limit**

( ) .....  Year Month Day  
 ed (for departmental use only) .....

Enter the calendar year to which the agreement applies .....  Year  
 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? .....  [Y/N] [ N ]

1	2	3	4	5	6
Names of associated corporations	Business Number of associated corporations	Association code	Business limit allocated (Note 1)	Taxation year end to which this agreement applies	Gross Part 1.3 Tax of the prior year (Notes 2 & 3)
<span>100</span>	<span>200</span>	<span>300</span>	<span>400</span>	<span>500</span>	
Newmarket Hydro Ltd.	869077925RC0001	1	0	2001-12-31	0
See attached			200,000		0
			-----		-----
	Totals (not to exceed \$200,000)		200,000		0
			=====		=====

**Note 1:**

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 365.

**Note 2:****Reduction to the business limit under subsection 125(5.1)**

The reduction to the business limit applies when any member of the associated group had gross Part 1.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction area of the T2 return.

The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part 1.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

**Note 3:**

If the taxation year of the associated corporation 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).

Newmarket Hydro Ltd.

Sch. 023-Supp.

Account/Business No.: 869077925RC0001 Year Ended: 2001-12-31

## AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

1	2	3	4	5	6
Name of associated corporation	Business Number of associated corporation	Asso-ciation code	Business limit allocated (Note)	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year
[100]	[200]	[300]	[400]	[500]	
Newmarket Hydro Holdings Inc	865142632RC0001	1	200,000	2001-12-31	0
Unipower Holdings Ltd.	865539399RC0001	1	0	2001-12-31	0
1443393 Ontario Inc.	892397613RC0001	1	0	2001-12-31	0
1443394 Ontario Inc.	865539191RC0001	1	0	2001-12-31	0
1443396 Ontario Inc.	865538995RC0001	1	0	2001-12-31	0
1443397 Ontario Inc.	892397217RC0001	1	0	2001-12-31	0
1443398 Ontario Inc.	865538797RC0001	1	0	2001-12-31	0
1402318 Ontario Inc	867099772RC0001	1	0	2001-12-31	0
<b>TOTALS</b>			200,000		0

Note: 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 365.

Reduction to the business limit under subsection 125(5.1)

The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction are of the T2 return.

The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

## Schedule 23-Supplementary

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

**PART 1.3 TAX ON LARGE CORPORATIONS****(1998 and later taxation years)**

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part 1.3 tax payable before the deduction for surtax credits.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal "Income Tax Act".
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part 1.3 in respect of its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or in respect of a partnership in which it has an interest.
- No Part 1.3 tax is payable for a taxation year by a corporation that was:
  - 1) a non-resident-owned investment corporation throughout the year;
  - 2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  - 3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  - 4) exempt from tax under section 149 throughout the year on all of its taxable income;
  - 5) neither resident in Canada nor carried on a business through a permanent establishment in Canada at any time in the year; or
  - 6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including processing incidental to or connected therewith) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" within six months of the end of the taxation year.

Filing date (for departmental use only) .....  Year Month Day

Complete the following areas to determine the amounts needed to calculate Part 1.3 tax. If the corporation was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 5, "Taxable capital employed in Canada - Non-resident corporation."

**Part 1 - Capital**

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I. ....	<input type="text" value="101"/>	25,000	AFDA per F/S
Initial stock (or members' contributions if incorporated without a capital). ....	<input type="text" value="103"/>	25,806,563	F/S
Retained earnings. ....	<input type="text" value="104"/>	0	
Contributed surplus. ....	<input type="text" value="105"/>	0	
Any other surpluses. ....	<input type="text" value="106"/>	0	
Deferred unrealized foreign exchange gains. ....	<input type="text" value="107"/>	0	
All loans and advances to the corporation. ....	<input type="text" value="108"/>	27,770,008	Att. - sub
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations. ....	<input type="text" value="109"/>	0	
Any dividends declared but not paid by the corporation before the end of the year. ....	<input type="text" value="110"/>	0	
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year. ....	<input type="text" value="111"/>	0	



**Part 1 - Capital (cont'd)**

Proportion of the amount, if any, by which the total of all amounts  
(that would be determined under lines 101, 107, 108, 109, 111 and 112)  
in respect of the partnership of which the corporation is a member  
at the end of the year exceeds the amount of the partnership's deferred  
unrealized foreign exchange losses (see note below).....

**112** 0

Subtotal 53,601,571 53,601,571 A

**Deduct the following amounts:**

Deferred tax debit balance at the end of the year.....

**121** 0

Any deficit deducted in computing the shareholders' equity.....

**122** 244,275 *PLS*

Any amount deducted under subsection 135(1) in computing income under

Part I for the year, to the extent that the amount may reasonably be

regarded as being included in any of lines 101 to 112 above.....

**123** 0

The amount of deferred unrealized foreign exchange losses.....

**124** 0

Subtotal 244,275 244,275 B

Capital for the year (amount A minus amount B) (if negative, enter "0").....

**190** 53,357,296

te: Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- Amounts owing to the member or to corporations that are other members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- Amounts at these lines apply to partnerships in the same way that they apply to corporations.
- The proportion of the total amounts is determined in accordance with the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

**Part 2 - Investment allowance**

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation.....

**401** 0

A loan or advance to another corporation (other than a financial institution).....

**402** 0

A bond, debenture, note, mortgage, or similar obligation of another corporation

(other than a financial institution).....

**403** 0

Long-term debt of a financial institution.....

**404** 0

A dividend receivable on a share of the capital stock of another corporation.....

**405** 0

A loan or advance to, or a bond, debenture, note, mortgage or similar obligation of,  
partnership all of the members of which, throughout the year, were other corporations

(other than financial institutions) that were not exempt from tax under Part 1.3

(other than by reason of paragraph 181.1(3)(d)).....

**406** 0

An interest in a partnership.....

**407** 0

Investment allowance for the year.....

**490** 0

Note: Lines 401 to 405 should not include the carrying value of a share of the capital stock of,  
a dividend payable by, or indebtedness of, a corporation that is exempt from tax under Part I of  
the Act (other than by reason of paragraph 181.1(3)(d) of the Act).

**Part 3 - Taxable capital**

Capital for the year (line 190).....

53,357,296 C

Deduct: Investment allowance for the year (line 490).....

0 D

Taxable capital for the taxation year

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

**500** 53,357,296

**Part 4 - Taxable capital employed in Canada - Canadian resident corporation**

**To be completed by a corporation that was resident in Canada at any time in the year.**

Taxable capital for the year (line 500)	53,357,296	X	Taxable income earned in Canada	<span style="border: 1px solid black; padding: 0 2px;">610</span>	1,000	=	Taxable capital employed in Canada	<span style="border: 1px solid black; padding: 0 2px;">690</span>	53,357,296
			Taxable income		1,000				

- Notes:**
- 1) Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
  - 2) Where a corporation's taxable income for a taxation year is "0", it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of \$1,000.
  - 3) In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

**Part 5 - Taxable capital employed in Canada - Non-resident corporation**

To be completed by a corporation that was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada.

Total of all amounts which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada. . . . .

**Deduct the following amounts:**

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

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

Total amount of carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year in Canada. . . . .

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

Taxable capital employed in Canada

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

### Part 6 - Calculation of gross Part 1.3 tax

Taxable capital employed in Canada for the year

(line 690 or 790, whichever applies).....	53,357,296
---	------------

<b>Deduct:</b> Capital deduction claimed for the year (enter \$10,000,000 or, for related corporations, the amount allocated on Schedule 36).....	801	10,000,000
---	-----	------------

Excess of taxable capital employed in Canada over capital deduction .....	811	43,357,296
		=====

<b>Gross Part 1.3 tax:</b>	Line 811	43,357,296	x	.2250%	=	97,554	F
----------------------------	----------	------------	---	--------	---	--------	---

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

			Number of days in the year		
Amount F	97,554	x	92	=	24,589 G
			-----		
			365		

**Gross Part 1.3 tax (amount F or G, whichever applies)** ..... **820** **24,589**



Newmarket Hydro Ltd.

Account/Business No.: 869077925RC0001

Year Ended: 2001-12-31

Sch. 033

## Part 10 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820).....		24,589	N
Deduct the following amounts:			
Current year surtax credit applied			
(the lesser of lines 820 and 830).....	861	0	
Unused surtax credit from prior years applied.....	862	0	
		-----	
Total (cannot exceed amount on line 820)		0	0 O
			-----
Net Part I.3 tax payable (amount N minus amount O)			
Enter this amount at line 704 of the T2 return.....	870	24,589	
		=====	

	0.00	F/S
Excess working funds payable to holding co.	3,970,550.00	
Long term debt with holding co	22,000,000.00	F/S
Current portion of customer deposit	173,000.00	F/S
Long Term portion of customer deposit	1,626,458.00	F/S
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
	0.00	
Total	=====	
	27,770,008.00	

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

**AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX  
(1998 and later taxation years)**

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 among the members of the related group.

Do not file this agreement if no members of the related group are liable to pay Part I.3 tax.

Are any members of the related group liable to pay Part I.3 tax? ..... [Y/N] [ Y ]

- In cases where a related corporation has more than one taxation year ending in a calendar year, it is required to file an agreement for each taxation year ending in that calendar year.

- A corporation that is related to any other corporation at any time in a taxation year of the corporation ending in a calendar year may file such an agreement.

- In accordance with subsection 181.5(7) of the federal "Income Tax Act", a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Attach additional schedules if space for agreement is not sufficient.

**Agreement**

Year Month Day

Date filed (for departmental use only) ..... 010

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

Enter the calendar year to which the agreement applies ..... 030 Year 2001

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

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year \$	Taxation year end to which this agreement applies (Note 2)
200	300	400	500
Newmarket Hydro Ltd. See attached	869077925RC0001	10,000,000 0	2001-12-31
Total (not to exceed \$10,000,000)		10,000,000 =====	

**Note 1:** If a corporation is not registered enter, "NR".

**Note 2:** An entry is only required for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

**Newmarket Hydro Ltd.****Sch. 036-Supp.****Account/Business No.: 869077925RC0001 Year Ended: 2001-12-31****AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX**

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 among the members of the related group.
- In accordance with subsection 181.5(7) of the federal Income Tax Act, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year	Taxation year end to which this agreement applies (Note 2)
{200}	{300}	[400]	[500]
-----	-----	-----	-----
Newmarket Hydro Holdings Inc	865142632RC0001	0	2001-12-31
Unipower Holdings Ltd.	865539399RC0001	0	2001-12-31
1443393 Ontario Inc.	892397613RC0001	0	2001-12-31
1443394 Ontario Inc.	865539191RC0001	0	2001-12-31
1443396 Ontario Inc.	865538995RC0001	0	2001-12-31
1443397 Ontario Inc.	892397217RC0001	0	2001-12-31
1443398 Ontario Inc.	865538797RC0001	0	2001-12-31
1402318 Ontario Inc	867099772RC0001	0	2001-12-31
<b>TOTAL</b>		0	

Note 1: If a corporation is not registered, enter "NR".

Note 2: An entry is only required for a corporation that has more than one taxation ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

**Schedule 36 - Supplementary**

{

Newmarket Hydro Ltd.

Account/Business No.: 869077925RC0001

Year Ended: 2001-12-31

Sch. 050

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

**SHAREHOLDER INFORMATION**  
(1998 and later taxation years)

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

Name of shareholder	Business Number	Social Insurance Number	Percentage common shares	Percentage preferred shares
	(note 1)	(note 2)		
	200	300	400	500
Newmarket Hydro Holdings Inc.	865142632RC0001		100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

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

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

T2 SCH 50 (99)



Telephone Number: . . . . .

## TRANSFER

Account Number	Taxation Year End	Amount	Effective Interest Date	Description
From:			0	
To:				
{				



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

# 2001 CT23 Corporations Tax and Annual Return

For taxation years commencing after May 4, 1999  
Corporations Tax Act - Ministry of Finance (MOF)  
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)  
(formerly Ministry of Consumer and Commercial Relations)

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, together with the applicable schedules. 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 Schedules A or K) 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? (Refer to Guide)			Page 1 of 24		Ministry Use
Corporation's Legal Name (including punctuation) and Mailing Address Newmarket Hydro Ltd.  590 Stevens Court  Newmarket ON CA L3Y-6Z2			Ontario Corporations Tax Account No. (MOF) 1800138		This CT23 Return covers the Taxation Year Start year month day 2001-10-01 End year month day 2001-12-31
Has address changed since last filed CT23 Return? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Date of Change year month day			Date of Incorporation or Amalgamation year month day 2000-11-01		
Registered/Head Office Address 590 Stevens Court  Newmarket ON CA L3Y-6Z2			Ontario Corporation No. (MCBS)		Canada Customs and Revenue Agency (formerly Revenue Canada) Business No. If applicable, enter 869077925RC0001
Location of Books and Records 590 Stevens Court  Newmarket ON CA L3Y-6Z2			Jurisdiction Incorporated Ontario		
Name of person to contact regarding this CT23 Return Dave Weir		Telephone No. 9059538548	Fax No. 9058958931	If not Incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced year month day Ceased year month day (Not Applicable) <input checked="" type="checkbox"/>	
Address of Principal Office in Ontario (Extra-Provincial Corporations only) ON CA -			(MCBS)		Preferred Language/Langue de préférence English anglais <input checked="" type="checkbox"/> French français <input type="checkbox"/> Ministry use
Former Corporation Name (Extra-Provincial Corporations only) (Not Applicable) <input checked="" type="checkbox"/> (MCBS)			No. of Schedule(s) 0		
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS). If there is no change to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS).			No change <input checked="" type="checkbox"/>		

## Certification (MCBS)

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

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

Dave Weir

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.

Newmarket Hydro Ltd.

1800138

2001-12-31

# CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

☒ 1 ☒ Canadian-controlled Private (CCPC) all year  
(Generally a private corporation of which  
50% or more shares are owned by  
Canadian residents.) (fed.s.125(7)(b))

2 ☐ Other Private

3 ☐ Public

4 ☐ Non-share Capital

5 ☐ Other (specify)

Share Capital with full voting rights  
owned by Canadian Residents (nearest percent) %

Ontario Retail Sales Tax Vendor Permit No.  
(Use Head Office no.)

If applicable, enter

Ontario Employer Health Tax Account No.  
(Use Head Office no.)

If applicable, enter

Specify major business activity

☐ 2 ☐ 1 ☐ Family Farm Corporation s.1 (2)

2 ☐ Family Fishing Corporation s.1 (2)

3 ☐ Mortgage Investment Corporation s.47

4 ☐ Credit Union s.51

5 ☐ Bank Mortgage Subsidiary s.61 (4)

6 ☐ Bank s.1 (2)

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

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

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

10 ☐ Mutual Fund Corporation s.48

11 ☐ Non-resident owned investment  
Corporation s.49

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

14 ☐ Bare Trustee Corporation

15 ☐ Branch of Non-residents s.63(1)

16 ☐ Financial institution prescribed by  
Regulation only

17 ☐ Investment Dealer

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

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

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

21 ☐ Insurance Exchange s.74.4

Please "X" box(es) if applicable:

☐ First Year of Filing

☐ Amended Return

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

☐ Final Taxation Year up to Dissolution (wind-up)

☐ Final Taxation Year before Amalgamation

☐ Floating Fiscal Year End

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

☐ Acquisition of Control fed s.249(4)

Date Control was acquired

year month day

Was the corporation inactive throughout the taxation year?

Yes No  
☐ ☒

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

☒ ☐

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

☐ ☒

an Overpayment?

☐ ☒

a Specified Refundable Tax Credit?

☐ ☒

Are you a Member of a Partnership or Joint Venture?

☐ ☒

Newmarket Hydro Ltd.

1800138

2001-12-31

DOLLARS ONLY

**Income Tax**

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Inter. Bulletin 2617). Attach a schedule (or a copy of federal T2 SCH 5) showing allocation of gross revenue, salaries and wages, including applicable percentages.

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 16)	±	From	690	-205,926.
Subtract: Charitable donations	-	1	0.	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule)	-	2	0.	
Subtract: Taxable dividends deductible, per federal T2 SCH 3	-	3	0.	
Subtract: Ontario political contributions (Attach schedule)	-	4	0.	
Subtract: Federal Part VI.1 tax	-	5	0.	
Subtract: Prior years' losses applied – Non-capital losses	-	From	704	0.
Net capital losses	From	715	0.	Inclusion rate 50.0000% =
Farm losses	-	From	724	0.
Restricted farm losses	-	From	734	0.
Limited partnership losses	-	From	754	0.
<b>Taxable Income (Non-capital loss)</b>	=	10	-205,926.	
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	0.	
<b>Adjusted Taxable Income</b>	10 + 11 (If 10 is negative, enter 11)	=	20	0.

**Taxable Income**

From 10 (or 20 if applicable)	0. x 30 100.0000% x 15.5000% x	22	0	+	73	92	= +	23	0.
Ontario Allocation									
From 10 (or 20 if applicable)	0. x 30 100.0000% x 14.5000% x	24	0	+	73	92	= +	25	0.
Ontario Allocation									
From 10 (or 20 if applicable)	0. x 30 100.0000% x 14.0000% x	26	0	+	73	92	= +	27	0.
Ontario Allocation									
From 10 (or 20 if applicable)	0. x 30 100.0000% x 12.5000% x	28	92	+	73	92	= +	29	0.
Ontario Allocation									
<b>Income Tax Payable</b> (before deduction of tax credits)	23 + 25 + 27 + 29	=	40	0.					

Note: The rate change effective October 1, 2001 has not yet received legislative authority at the time of printing.

**Incentive Deduction for Small Business Corporations (IDSBC) (s.41)**

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) ☐ Yes ☒ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	60	0.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	0.
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52	0.
Subtract: Losses of other years deducted for Ontario purposes (s.34)	- 53	0.
	=	54 0.
Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding \$200,000) (Attach federal T2 SCH 23 if associated)	+ 55	0.

Add: Ontario enhancement of federal business limit

Number of Days in Taxation Year									
40,000 x	Days after Dec 31, 2000 and before Oct 1, 2001	Total Days	557	0	+	73	92		
X From	55	0	+	200,000	= +	42	0.		
80,000 x	Days after Sept 30, 2001 and before Jan 1, 2003	Total Days	69	92	+	73	92		
X From	55	0	+	200,000	= +	43	0.		
Ontario enhancement of federal business limit	42 + 43	=	85	0.					
<b>Business Limit for Ontario purposes</b>	55 + 44	=	99	0.					
<b>Income eligible for the IDSBC</b>	From 30	100.0000% x	56	0.	=	60	0.		

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

continued on Page 5

# Income Tax *continued from Page 4*

## Calculation of IDSBC Rate

	7.00%	x	74	0	+	73	92	=	75	.0000.
	7.50%	x	76	0	+	73	92	=	77	.0000.
	6.50%	x	69	92	+	73	92	=	79	6.5000.
IDSBC Rate for Taxation Year			75	+	77	+	79	=	78	6.5000.
Claim			From 60	0.	x	From 78	6.5000%	=	70	0.

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** 0.

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

Name of associated corporation (Canadian & foreign)  
(if insufficient space, attach schedule)

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

Taxation Year End

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

See attached																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										</
--------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	----

Subtract:	200,000	x	558	0	+	73	92	=	111	0.		
	240,000	x	557	0	+	73	92	=	112	0.		
	280,000	x	556	92	+	73	92	=	113	280,000.		
			111	+	112	+	113	=		280,000.		
(If negative, enter nil)											86	0.

Calculation of Specified Rate for Surtax			4.67%	x	74	0	+	73	92	=	92	.0000
			5.00%	x	76	0	+	73	92	=	93	.0000
			4.3330%	x	69	92	+	73	92	=	95	4.3330
Specified rate of surtax for Taxation Year											94	4.3330
			From 86	0.	x	From 94	4.3330%	=	87	0.		
			From 87	0.	x	From 60	0.	+	From 114	280,000.	88	0.
Surtax Lesser of			70	or	88						100	0.

Continued on Page 6

## Income Tax *continued from Page 5*

**Additional Deduction for Credit Unions (s.51(4))** *(Attach schedule)* ..... **[110]** 0.

## Manufacturing and Processing Profits Credit (M&P) (s.43)

*Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.*

*Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of the federal T2 SCH 27 including necessary changes for Ontario tax purposes (e.g. different C.C.A. claimed).*

*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 .....	+	<b>[120]</b>	<u>0.</u>
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) .....	-	From <b>[56]</b>	<u>0.</u>
Add: Adjustment for Surtax on Canadian-controlled private corporations			
From <b>[100]</b> <u>0.</u> + From <b>[30]</b> <u>.0000</u> % + From <b>[78]</b> <u>6.5000</u> % = <b>[121]</b>			<u>0.</u>
<small>* Ontario Allocation</small>			
Lesser of <b>[56]</b> or <b>[121]</b> .....	+	<b>[122]</b>	<u>0.</u>
<b>[0]</b> - <b>[56]</b> + <b>[122]</b> .....	=	<b>[130]</b>	<u>0.</u>
Taxable Income .....	+	From <b>[10]</b>	<u>0.</u>
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) .....	-	From <b>[56]</b>	<u>0.</u>
Add: Adjustments for Surtax on Canadian-controlled private corporations .....	+	From <b>[122]</b>	<u>0.</u>
Subtract: Taxable Income From <b>[10]</b> <u>0.</u> X Allocation % to jurisdictions outside Canada <u>.0000</u> % .....	-	<b>[140]</b>	<u>0.</u>
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses .....	-	<b>[141]</b>	<u>0.</u>
<b>[10]</b> - <b>[56]</b> + <b>[122]</b> - <b>[140]</b> - <b>[141]</b> .....	=	<b>[142]</b>	<u>0.</u>

### Claim

Number of Days in Taxation Year					
<b>[143]</b> <u>0.</u> X From <b>[30]</b> <u>.0000</u> % X <u>2.0000</u> % X Lesser of <b>[130]</b> or <b>[142]</b> * Ontario Allocation	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">Days before Oct 1, 2001</th> <th style="text-align: left;">Total Days</th> </tr> <tr> <td style="text-align: center;">0 + <b>[73]</b></td> <td style="text-align: center;">92</td> </tr> </table>	Days before Oct 1, 2001	Total Days	0 + <b>[73]</b>	92
Days before Oct 1, 2001	Total Days				
0 + <b>[73]</b>	92				
<b>[143]</b> <u>0.</u> X From <b>[30]</b> <u>.0000</u> % X <u>1.5000</u> % X Lesser of <b>[130]</b> or <b>[142]</b> * Ontario Allocation	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">Days after Sept 30, 2001 and before Jan 1, 2003</th> <th style="text-align: left;">Total Days</th> </tr> <tr> <td style="text-align: center;"><b>[69]</b> 0 + <b>[73]</b></td> <td style="text-align: center;">92</td> </tr> </table>	Days after Sept 30, 2001 and before Jan 1, 2003	Total Days	<b>[69]</b> 0 + <b>[73]</b>	92
Days after Sept 30, 2001 and before Jan 1, 2003	Total Days				
<b>[69]</b> 0 + <b>[73]</b>	92				
	= <b>[160]</b> <u>0.</u>				

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

**Manufacturing and Processing Profits Credit for Electrical Generating Corporations** ..... = **[161]** 0.

**Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity** ..... = **[162]** 0.

*Note: The M&P for corporations that generate electrical energy for sale, or produce steam for use in the generation of electrical energy for sale, or produce steam for sale for uses other than the generation of electricity, has not yet received legislative authority at the time of printing. (Refer to Guide.)*

## Credit for Foreign Taxes Paid (s.40)

*Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Info. Bulletins 15-79 & 2739) (Attach schedule).* **[170]** 0.

## Credit for Investment in Small Business Development Corporations (SBDC)

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

Eligible Credit **[175]** 0. Credit Claimed **[180]** 0.

**Subtotal of Income Tax** **[40]** - **[70]** + **[100]** - **[110]** - **[160]** - **[161]** - **[162]** - **[170]** - **[180]** ..... = **[190]** 0.

*continued on Page 7*

Newmarket Hydro Ltd.

1800138

2001-12-31

DOLLARS ONLY

**Income Tax** *continued from Page 6***Specified Tax Credits** *(Refer to Guide)***Ontario Innovation Tax Credit (OITC) (s.43.3)** *Applies to research and development in Ontario.*Eligible Credit From **5820** OITC Claim Form *(Attach original Claim Form)* ..... + **191** ..... 0.**Co-operative Education Tax Credit (CETC) (s.43.4)** *Applies to employment of eligible students.*Eligible Credit From **5798** Summary Schedule F ..... + **192** ..... 0.**Ontario Film & Television Tax Credit (OFTTC) (s.43.5)***Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.*Eligible Credit From **5899** Claim Form Certified by Ontario Film Development Corporation  
*(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)* ..... + **193** ..... 0.**Graduate Transitions Tax Credit (GTTC) (s.43.6)**No. of Graduates From **6596***Applies to employment of eligible unemployed graduate students.*Eligible Credit From **6598** Summary Schedule G ..... + **195** ..... 0.**Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)***Applies to qualifying expenditures in respect of eligible literary works by first-time Canadian authors.*Eligible Credit From **6900** OBPTC Claim Form *(Attach only the original Claim Form. Retain the Certification Form)* ..... + **196** ..... 0.**Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)***Applies to labour relating to computer animation and special effects on an eligible production.*Eligible Credit From **6700** Claim Form Certified by Ontario Film Development Corporation  
*(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)* ..... + **197** ..... 0.**Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)***Applies to qualifying R&D expenditures under an eligible research institute contract.*Eligible Credit From **7100** OBRITC Claim Form *(Attach original Claim Form)* ..... + **198** ..... 0.**Ontario Production Services Tax Credit (OPSTC) (s.43.10)***Applies to qualifying Ontario labour expenditures for eligible non-Canadian content film and television productions.*Eligible Credit From **7300** Claim Form certified by Ontario Film Development Corporation  
*(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)* ..... + **199** ..... 0.**Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)***Applies to qualifying labour expenditures of eligible products for the taxation year.*Eligible Credit From **7400** Claim Form certified by Ontario Film Development Corporation  
*(Retain original Claim Form. Do not submit the Claim Form with the CT23 Tax Return.)* ..... + **200** ..... 0.**Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)***Applies to qualifying expenditures in respect of eligible Canadian sound recordings.*Eligible Credit From **7500** OSRTC Claim Form *(Attach only the original Claim Form. Retain the Certification Form)* ..... + **201** ..... 0.Other (specify) ..... + **201.1** ..... 0.**Total Specified Tax Credits** **191** + **192** + **193** + **195** + **196** + **197** + **198** + **199** + **200** + **201** + 201.1 = **220** ..... 0.**Specified Tax Credits Applied to reduce Income Tax** ..... = **225** ..... 0.**Income Tax** **190** - **225** OR Enter NIL if reporting Non-Capital Loss ..... = **230** ..... 0.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 18**.

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**.

Newmarket Hydro Ltd.

1800138

2001-12-31

DOLLARS ONLY

## Corporate Minimum Tax (CMT)

## Determination of Applicability

Applies if either Total Assets [249] exceeds \$5,000,000 or Total Revenue [250] exceeds \$10,000,000.

\* These amounts include the corporation's and associated corporations' share of any partnership(s)/joint venture(s) total assets and total revenue.

**Short Taxation Years** - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s)/joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

**Associated Corporation** - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

\* Total Assets of the corporation ..... + [240] 58,876,527.  
 \* Total Revenue of the corporation ..... + [241] 51,039,049.

If you are a member of an associated group (x) [242] ☒ (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total assets	* Total Revenue
See attached			[243] <u>3,989,723.</u>	[244] <u>15,695.</u>
			[245] .....	[246] .....
			[247] .....	[248] .....

Aggregate Total Assets [240] + [243] + [245] + [247], etc. = [249] 62,866,250.  
 Aggregate Total Revenue [241] + [244] + [246] + [248], etc. = [250] 51,054,744.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedules A through E** on Pages 19, 20 and 21 of CT23.

## Calculation: CMT (Attach Schedule A: Calculation of CMT Base on Page 19.)

Gross CMT Payable ..... CMT Base From [2135] 0. X From [30] 100.0000 % X 4% = [276] 0.  
 If negative, enter zero Ontario Allocation  
 Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) ..... - [277] 0.  
 Subtract: Income Tax ..... - From [190] 0.  
 Net CMT Payable (If negative, enter Nil on Page 18.) ..... = [280] 0.

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from Page 7 to Income tax Summary, on Page 18.

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 18 and transfer [280] to Page 18, and to Schedule D: Continuity of CMT Credit Carryovers, on Page 21.

CMT Credit Carryover available ..... From [2307] 0.

## Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) ..... + From [190] 0.  
 Gross CMT Payable ..... + From [276] 0.  
 Subtract: Foreign Tax Credit for CMT purposes ..... - From [277] 0.  
 If [276] - [277] is negative, enter NIL in [290] ..... = 0. - [290] 0.  
 Income Tax eligible for CMT Credit ..... = [300] 0.  
 B. Income tax (after deduction of specified credits) ..... + From [230] 0.  
 Subtract: CMT credit used to reduce income taxes ..... - [310] 0.  
 Income Tax ..... = [320] 0.

Transfer to page 18

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].



Newmarket Hydro Ltd.

1800138

2001-12-31

DOLLARS ONLY

**Capital Tax** (Refer to Guide)*If your corporation is a Financial Institution (s.58(2)), proceed to page 14.*

*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 \$1,000,000 or less and the taxation year ends on or after January 1, 2000, or (2) 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, it 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 13 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. 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 (Inf.B.15-79, Int.B.L-12 and Int.B.L-16)

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).

**Paid-up Capital**

Paid-up capital stock	+ [350]	25,806,563.
Retained earnings (if deficit, deduct)	+ [351]	-244,275.
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	+ [352]	0.
Loans and advances (Attach schedule)	+ [353]	27,770,008.
Bank loans	+ [354]	0.
Bankers acceptances	+ [355]	0.
Bonds and debentures payable	+ [356]	0.
Mortgages payable	+ [357]	0.
Lien notes payable	+ [358]	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax)	+ [359]	0.
Contingent, investment, inventory and similar reserves	+ [360]	0.
Other reserves not allowed as deductions for income tax purposes (Attach schedule)	+ [361]	3,703.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s))	+ [362]	0.
<b>Subtotal</b>	= [370]	53,335,999.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.)	- [371]	-133,013.
(Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes)	- [372]	0.
<b>Total Paid-up Capital</b>	= [380]	53,469,012.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	- [381]	0.
<b>Net Paid-up Capital</b>	= [390]	53,469,012.

**Eligible Investments** (Refer to Guide)

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, term deposits, 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.

Term deposits and investment certificates in foreign financial institutions for taxation years ending prior to December 15, 1999 (Refer to Guide)

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ [402]	0.
Mortgages due from other corporations	+ [403]	0.
Shares in other corporations (certain restrictions apply) (Refer to Guide)	+ [404]	0.
Loans and advances to unrelated corporations	+ [405]	0.
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	+ [406]	0.
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	+ [407]	0.
<b>Total Eligible Investments</b>	= [410]	0.

continued on Page 10

**Capital Tax** *continued from Page 9*
**Total Assets**

Total Assets per balance sheet	+	420	58,876,527.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	-	423	0.
<b>Total Assets as adjusted</b>	=	430	58,876,527.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	-133,013.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
<b>Total Assets</b>	=	450	59,009,540.

<b>Investment Allowance</b>	( 410 + 450 ) × 390	Not to exceed 410	= 460	0.
<b>Taxable Capital</b>	390 - 460		= 470	53,469,012.

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	12,864,637.
<b>Assets</b> (as adjusted)	From 430	58,876,527.

**Calculation of Capital Tax for all corporations except Financial Institutions**

*Note: This version (2001) of the CT23 may only be used for a taxation year that commenced on or after May 5, 1999.*

(Financial Institutions use calculations on page 14.)

- 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 on pages 10 to 11 and select and complete the one specific subsection (e.g. B4) that applies to the corporation.
- OR** If the corporation IS a member of an associated group and/or partnership, complete Section C on page 12. Next review, and if applicable, complete Section D on page 12. If Section D is not applicable review Section E on page 13 and complete the applicable subsection: either E1 or E2. **Note:** if the corporation is a member of a connected partnership, please refer to the 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.

Enter NIL in 550 on page 13 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 end is before January 1, 2001 and 430 and 480 are both \$1,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.
- B2.** If the taxation year end is after December 31, 2000 and 430 and 480 are both \$1,500,000 or less, enter NIL in 550 on page 13 and complete the return from that point.
- B3.** If taxable capital, 470 on page 10, is \$2,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

*continued on Page 11*

Newmarket Hydro Ltd.

1800138

2001-12-31

DOLLARS ONLY

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

**B4.** If taxable capital, 470 on page 10, exceeds \$2,000,000 but is \$3,600,000 or less, complete the following calculations and transfer the total From 508 to 543 on page 13 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From 470 0. X .3000% = + 490 0.  
Deduct: 2,400,000 - 0. X 1.5% = - 492 0.  
( 504 = 490 - 492 ) = 504 0. X From 30 100.0000% X 0. = + 505 0.  
Days in taxation year after May 4, 1999 and before Jan 1, 2000 552  
If 2,400,000 - 470 is negative, enter NIL in 492  
Ontario Allocation \*\* 365  
(366 if leap year)

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(b) From 470 0. X .3000% = + 490 0.  
Deduct: 2,800,000 - 0. X 0.75% = - 493 0.  
( 506 = 490 - 493 ) = 506 0. X From 30 100.0000% X 0. = + 507 0.  
Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 553  
If 2,800,000 - 470 is negative, enter NIL in 493  
Ontario Allocation \*\* 365  
(366 if leap year)

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(c) From 470 0. X .3000% = + 490 0.  
Deduct: 3,200,000 - 0. X 0.5% = - 495 0.  
( 509 = 490 - 495 ) = 509 0. X From 30 100.0000% X 0. = + 522 0.  
Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 554  
If 3,200,000 - 470 is negative, enter NIL in 495  
Ontario Allocation \*\* 365  
(366 if leap year)

Total Capital Tax for the taxation year 505 + 507 + 522 ..... = 508 0.  
Transfer to 543 on page 13 and complete the return from that point.

**B5.** If taxable capital, 470 on page 10, exceeds \$3,600,000, complete the following calculation and transfer the amount From 502 to 543 on page 13 and complete the return from that point.

From 470 0. X From 30 100.0000% X .3000% X 0. ..... = 502.1 0.  
Days in taxation year before Oct 1, 2001 555  
Ontario Allocation \*\* 365  
(366 if leap year)

From 470 0. Exemption 0. X From 30 100.0000% X .3000% X 92 ..... = 502.2 0.  
Days in taxation year after Sept 30, 2001 92  
Ontario Allocation \*\* 365  
(366 if leap year)

Note: The \$5 million deduction from Taxable Paid Up Capital has not yet received legislative authority at the time of printing.

Total Capital Tax for the taxation year 502.1 + 502.2 ..... = 502 0.

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

# Capital Tax Calculation *continued from page 11*

## SECTION C

If the corporation is a member of an associated group and/or partnership, complete the following, and

(x) ☐ 510 ☒ (Yes)

Taxable Capital ..... + From ☐ 470 53,469,012.

Name of associated corporations or related partners (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
See attached			<input type="checkbox"/> 511 <u>189,344.</u>
			<input type="checkbox"/> 512 <u>                    .</u>
			<input type="checkbox"/> 513 <u>                    .</u>
Aggregate Taxable Capital <input type="checkbox"/> 470 + <input type="checkbox"/> 511 + <input type="checkbox"/> 512 + <input type="checkbox"/> 513, etc.			<input type="checkbox"/> 520 <u>53,658,356.</u>

If ☐ 520 is greater  
than \$2,000,000

If ☐ 520 is greater than \$2,000,000 and the taxation year ends,

- prior to January 1, 2000 and ☐ 520 is less than \$2,400,000;
- OR • after December 31, 1999 and before January 1, 2001 and ☐ 520 is less than \$2,800,000;
- OR • after December 31, 2000 and before January 1, 2002 and ☐ 520 is less than \$3,200,000;
- OR • after December 31, 2001 and before January 1, 2003 and ☐ 520 is less than \$3,600,000;

the corporation must compute the following ratio before calculating its Capital Tax in Section E.

From ☐ 470 0. ÷ From ☐ 520 0. = ☐ 521 .0000

Note: ☐ 521 cannot exceed 1.00000

## SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, ☐ 520 on this page, is \$2,000,000 or less.

Enter NIL in ☐ 550 on page 13 and complete the return from that point.

Newmarket Hydro Ltd.

1800138

2001-12-31

DOLLARS ONLY

**Capital Tax Calculation** *continued from Page 12***SECTION E**

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, **520** on page 12, exceeds \$2,000,000.

**E1.** If aggregate taxable capital **520** exceeds \$2,000,000 but is \$3,600,000 or less, complete the following calculations and transfer the total From **508** to **543** and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From **470** 0. x .3000% = + **490** 0.

Deduct:

From **520** 0. x 1.5% x From **521** 0.0000 = - **492** 0.

If 2,400,000 - **520** is negative, enter NIL in **492**

Days in taxation year after May 4, 1999 and before Jan 1, 2000 From **30** **552**

( **504** = **490** - **492** ) = **504** 0. x 100.0000% x 0 = + **505** 0.

Ontario Allocation \*\* **365** (366 if leap year)

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(b) From **470** 0. x .3000% = + **490** 0.

Deduct:

From **520** 0. x 0.75% x From **521** 0.0000 = - **493** 0.

If 2,800,000 - **520** is negative, enter NIL in **493**

Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 From **30** **553**

( **506** = **490** - **493** ) = **506** 0. x 100.0000% x 0 = + **507** 0.

Ontario Allocation \*\* **365** (366 if leap year)

Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(c) From **470** 0. x .3000% = + **490** 0.

Deduct:

From **520** 0. x 0.5% x From **521** 0.0000 = - **495** 0.

If 3,200,000 - **520** is negative, enter NIL in **495**

Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 From **30** **557**

( **509** = **490** - **495** ) = **509** 0. x 100.0000% x 0 = + **522** 0.

Ontario Allocation \*\* **365** (366 if leap year)

Total Capital Tax for the taxation year **505** + **507** + **522** ..... = **508** 0.

Transfer to **543** and complete the return from that point.

**E2.** If the aggregate taxable capital **520** on page 12, exceeds \$3,600,000 complete the following calculation and transfer the amount From **502** to **543** on this page, and complete the return from that point.

(a) From **470** 53,469,012. x From **30** 100.0000% x .3000% x 0 ..... = **502.1** 0.

Days in taxation year before Oct 1, 2001 **555**

Ontario Allocation \*\* **365** (366 if leap year)

(b) Exemption is the lesser of:

i) ..... 5,000,000

Taxable Paid up Capital of all Corporations in Associated Group (if any) from **520** ..... + 53,658,356.

Minus portion attributable to corporations without a permanent establishment in Canada ..... - 0.

ii) TPUC of all corporations post September 30, 2001 ..... = 53,658,356.

Lesser of i) and ii) ..... 5,000,000.

TPUC from **470** ..... x 53,469,012.

TPUC of all corporations post September 30, 2001 ..... + 53,658,356.

Exemption for this corporation ..... = 4,982,357.

From **470** Exemption From **30**

( 53,469,012. - 4,982,357. ) x 100.0000% x .3000% x 92 ..... = **502.2** 36,664.

Days in taxation year after Sept 30, 2001 **365** (366 if leap year)

Ontario Allocation \*\* **365**

Note: The \$5 million deduction from Taxable Paid Up Capital has not yet received legislative authority at the time of printing.

Total Capital Tax for the taxation year **502.1** + **502.2** ..... = **502** 36,664.

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

Transfer to **543** and complete the return from that point.

Capital Tax before application of specified credits ..... = **543** 36,664.

Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide) ..... - **546** 0.

Capital Tax **543** - **546** ..... = **550** 36,664.

continued on Page 14

Transfer to Page 18

## Capital Tax *continued from page 13*

### 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 13, 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.)

<span style="border: 1px solid black; padding: 0 5px;">565</span>	0.	x	0.00%	x From	<span style="border: 1px solid black; padding: 0 5px;">30</span>	%	x	Days In taxation year	<span style="border: 1px solid black; padding: 0 5px;">555</span>	0	+ **	0	(366 if leap year)	=	+	<span style="border: 1px solid black; padding: 0 5px;">569</span>	0.
<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 </div> <div style="width: 30%;"> Ontario Allocation </div> </div>																	

<span style="border: 1px solid black; padding: 0 5px;">571</span>	0.	x	0.00%	x From	<span style="border: 1px solid black; padding: 0 5px;">30</span>	%	x	Days In taxation year	<span style="border: 1px solid black; padding: 0 5px;">555</span>	0	+ **	0	(366 if leap year)	=	+	<span style="border: 1px solid black; padding: 0 5px;">574</span>	0.
<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount </div> <div style="width: 30%;"> Capital Tax Rate (Refer to Guide) </div> <div style="width: 30%;"> Ontario Allocation </div> </div>																	

Capital Tax for Financial Institutions – other than Credit Unions (before Sections II)	<span style="border: 1px solid black; padding: 0 5px;">569</span>	+	<span style="border: 1px solid black; padding: 0 5px;">574</span>	=	<span style="border: 1px solid black; padding: 0 5px;">575</span>	0.
--	---	---	---	---	---	----

\*\* 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		-	<span style="border: 1px solid black; padding: 0 5px;">585</span>	0.
---	--	---	---	----

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

Total Tax – Financial Institutions	<span style="border: 1px solid black; padding: 0 5px;">575</span>	-	<span style="border: 1px solid black; padding: 0 5px;">585</span>	=	<span style="border: 1px solid black; padding: 0 5px;">586</span>	0.
Transfer to <span style="border: 1px solid black; padding: 0 5px;">543</span> on Page 13						

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

(1) Uninsured Benefits Arrangements	<span style="border: 1px solid black; padding: 0 5px;">587</span>	0.	x 2%	=	<span style="border: 1px solid black; padding: 0 5px;">588</span>	0.
Applies to Ontario-related uninsured benefits arrangements.						

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

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

Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)		-	<span style="border: 1px solid black; padding: 0 5px;">589</span>	0.
--	--	---	---	----

Premium Tax	<span style="border: 1px solid black; padding: 0 5px;">588</span>	-	<span style="border: 1px solid black; padding: 0 5px;">589</span>	=	<span style="border: 1px solid black; padding: 0 5px;">590</span>	0.
Transfer to page 18						

Newmarket Hydro Ltd.

1800138

2001-12-31

DOLLARS ONLY

# 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 -205,926.

Transfer to page 16

## Add:

Federal capital cost allowance	+ 601	373,052.
Federal cumulative eligible capital deduction	+ 602	40,526.
Ontario taxable capital gain	+ 603	0.
Federal non allowable reserves. Balance beginning of year	+ 604	21,297.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	25,000.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.
Management fees, rents, royalties and similar payments to non-arm's length non-residents		

## Number of Days in Taxation Year

			Days before May 2, 2000		Total Days		
612	0.	x	5 + 15.5000	x	22	0 + 73	92 = + 630 0.

	Days after May 1, 2000 and before Jan 1, 2001	Total Days	
612 0 x 5 + 14.5000 x	24 0 + 73 92	= + 631 0.	

		Days after Dec 31, 2000 and before Oct 1, 2001	Total Days	
612	0 x 5 + 14.0000 x	26	0 + 73 92	= + 632 0.

	Days after Sept 30, 2001 and before Jan 1, 2003	Total Days	
612 0.X 5 + 12.5000 X	28 92 + 73 92	= + 633	0.

Total add-back amount for Management fees, etc. 630 + 631 + 632 + 633 = + 613 0.

Federal allowable business investment loss + 620 0.

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

Subtotal of Additions 601 to 611 + 613 + 620 + 614 = 459,875. 640 459,875.

Transfer to page 16

Newmarket Hydro Ltd.

1800138

2001-12-31

DOLLARS ONLY

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

continued from Page 15

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From + 600 -205,926.

Subtotal of Additions ..... From = 640 459,875.

## Deduct:

Ontario capital cost allowance	+ <u>650</u>	373,052.
Ontario cumulative eligible capital deduction	+ <u>651</u>	40,526.
Federal taxable capital gain	+ <u>652</u>	0.
Ontario non-allowable reserves. Balance beginning of year	+ <u>653</u>	21,297.
Ontario allowable reserves. Balance end of year	+ <u>654</u>	0.
Federal non-allowable reserves. Balance end of year	+ <u>655</u>	25,000.
Federal allowable reserves. Balance beginning of year	+ <u>656</u>	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit)	+ <u>657</u>	0.
Ontario depletion allowance	+ <u>658</u>	0.
Ontario resource allowance	+ <u>659</u>	0.
Ontario research and development super allowance (Attach schedule)	+ <u>660</u>	0.
Government Assistance relating to provincial deductions for scientific research and experimental development added back for federal income tax purposes as a result of the Federal 2000 Budget	+ <u>674</u>	0.
Ontario current cost adjustment (Attach schedule)	+ <u>661</u>	0.

## Ontario New Technology Tax Incentive (ONTTI) Gross-up

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

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

662 0.

## ONTTI Gross-up deduction calculation:

$$\left[ \begin{array}{l} \text{From } \underline{662} \quad 0. \times \frac{100}{\text{From } \underline{30} \quad 100.0000} \\ \text{Gross-up of CCA} \end{array} \right] - \text{From } \underline{662} \quad 0. = \underline{663} \quad 0.$$

Ontario Allocation

## Workplace Child Care Tax Incentive: (Applies to qualifying expenditures incurred after May 5, 1998.)

$$\left[ \begin{array}{l} \text{Qualifying expenditures: } \underline{665} \quad 0. \times 30.00\% \times \frac{100}{\text{From } \underline{30} \quad 100.0000} \\ \text{Ontario Allocation} \end{array} \right] = \underline{666} \quad 0.$$

## Workplace Accessibility Tax Incentive: (Applies to qualifying expenditures incurred after July 1, 1998.)

$$\left[ \begin{array}{l} \text{Qualifying expenditures: } \underline{667} \quad 0. \times 100.00\% \times \frac{100}{\text{From } \underline{30} \quad 100.0000} \\ \text{Ontario Allocation} \end{array} \right] = \underline{668} \quad 0.$$

Number of Employees accommodated 669 0

## Ontario School Bus Safety Tax Incentive (OSBSTI): (Applies to the eligible acquisition of school buses made within the 3 year period commencing after May 4, 1999.) (Refer to Guide)

$$\left[ \begin{array}{l} \text{Qualifying expenditures: } \underline{670} \quad 0. \times 30.00\% \times \frac{100}{\text{From } \underline{30} \quad 100.0000} \\ \text{Ontario Allocation} \end{array} \right] = \underline{671} \quad 0.$$

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

$$\left[ \begin{array}{l} \text{Qualifying expenditures: } \underline{672} \quad 0. \times 15.00\% \times \frac{100}{\text{From } \underline{30} \quad 100.0000} \\ \text{Ontario Allocation} \end{array} \right] = \underline{673} \quad 0.$$

Ontario allowable business investment loss ..... + 678 0.

Total of other deductions allowed by Ontario (Attach schedule) ..... + 684 0.

Subtotal of Deductions 650 to 660 + 674 + 681 + 683 + 666 + 668 + 671 + 673 + 678 + 684 = 459,875. 680 459,875.

Net income (loss) for Ontario Purposes 600 + 640 - 680 = 690 -205,926.

Transfer to Page 4



Newmarket Hydro Ltd.

1800138

2001-12-31

DOLLARS ONLY

## Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
<b>Balance at Beginning of Year</b>	700 (2) 0	710 (2) 0	720 (2) 0	730 0	740 0	750 0
<b>Add:</b>						
Current year's losses	701 205,926	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0	742 0	752 0
<b>Subtotal</b>	703 205,926	713 0	723 0	733 0	743 0	753 0
<b>Subtract:</b>						
Utilized during the year to reduce taxable income	704 0	715 (4) 0	724 0	734 (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0	716 0	725 0	735 0	745 0	755 0
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 18 0	716 (2) to Page 18 0	726 (2) to Page 18 0	736 (2) to Page 18 0	746 0	756 0
<b>Subtotal</b>	707 0	717 0	727 0	737 0	747 0	757 0
<b>Balance at End of Year</b>	709 205,926	719 0	729 0	739 0	749 0	759 0

## Notes:

- (1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) 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 amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) 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 adjustments required where losses are carried at 100% of the loss amount.

## Analysis of Balance by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
801 1993-09-30				850 0	870 0
802 1994-09-30				851 0	871 0
803 1995-09-30				852 0	872 0
804 1996-09-30	820 0	830 0	840 0	853 0	873 0
805 1997-09-30	821 0	831 0	841 0	854 0	874 0
806 1998-09-30	822 0	832 0	842 0	855 0	875 0
807 1999-09-30	823 0	833 0	843 0	856 0	876 0
808 2000-09-30	824 0	834 0	844 0	857 0	877 0
809 2001-09-30	825 0	835 0	845 0	858 0	878 0
809 2001-12-31	826 205,926	836 0	846 0	859 0	879 0
<b>Total</b>	829 205,926	839 0	849 0	869 0	889 0

Newmarket Hydro Ltd.

1800138

2001-12-31

DOLLARS ONLY

**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 carry-back adjustment may be applied by the Minister of Finance to amounts owing under *any Act administered by the Ministry of Finance*.

- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  - 1) the first day of the taxation year after the loss year,
  - 2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  - 3) 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>	910 205,926	920 0	930 0	940 0
<b>Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income</b>				
<b>Predecessor Ontario Corporation's Tax Account No. (MOF)</b>				
<b>Taxation Year Ending year month day</b>				
i) preceding 901	911 0	921 0	931 0	941 0
ii) 2nd preceding 902	912 0	922 0	932 0	942 0
iii) 1st preceding 903	913 0	923 0	933 0	943 0
<b>Total loss to be carried back</b>	From 706 0	From 716 0	From 726 0	From 736 0
<b>Balance of loss available for carry-forward</b>	919 205,926	929 0	939 0	949 0

**Summary**

Income tax	+ From 230 or 320	0.
Corporate Minimum Tax	+ From 280	0.
Capital Tax	+ From 550	36,664.
Land Use Tax	+ From 590	0.
<b>Total Tax Payable</b>	= 950	36,664.
<b>Subtract: Payments</b>	- 960	35,013.
Capital Gains Refund (s.48)	- 965	0.
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- 985	0.
Specified Tax Credits (Refer to Guide)	- 955	0.
Other (specify)	-	0.
<b>Balance</b>	= 970	1,651.
<b>If payment due</b>	Enclosed * 990	1,651.
<b>If overpayment: Refund (Refer to Guide)</b>	.. = 975	0.
<b>Apply to</b> year month day	980	0.
(Includes credit interest)		

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

**Certification**

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

Name (please print)

Dave Weir

Title

Chief Financial

Officer

Full Residence Address

Signature

Date

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

Attached Sch.

**Year Ended: 2001-12-31**

	0.00
Current Portion of Customer Deposits	173,000.00
Excess Working Funds payable - intercompany	3,970,550.00
Customer deposits- long term	1,626,458.00
Long Term Debt with Newmarket Hydro Holdings	22,000,000.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	=====
	27,770,008.00

Attached Sch.

31

Amounts deducted in excess of amounts booked

Total

-133,013.00

Newmarket Hydro Ltd.

1800138

2001-12-31

DOLLARS ONLY

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

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] -365,569.

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

Provision for recovery of income taxes	+	[2101]	0.
Provision for deferred income taxes (credits)	+	[2102]	0.
Equity income from corporations	+	[2103]	0.
Share of partnership(s)/joint venture(s) income	+	[2104]	0.
Dividends received/receivable deductible under fed.s.112	+	[2105]	0.
Dividends received/receivable deductible under fed.s.113	+	[2106]	0.
Dividends received/receivable deductible under fed.s.83(2)	+	[2107]	0.
Federal Part VI.1 tax paid on dividends declared and paid after May 5, 1997, under fed.s.191.1(1)	+	[2108]	0.
		0. x 9/4	

Subtotal = 0. [2109] 0.

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

Provision for current taxes	+	[2110]	24,500.
Provision for deferred income taxes (debits)	+	[2111]	0.
Equity losses from corporations	+	[2112]	0.
Share of partnership(s)/joint venture(s) losses	+	[2113]	0.
Dividends that have been deducted to arrive at net income per Financial Statements. Applies to dividends that have been declared and paid after May 5, 1997.s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+	[2114]	0.

Subtotal = 24,500. [2115] 24,500.

## Add/Subtract:

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

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

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

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

\*\* Other adjustments ± [2130] 0.

Subtotal ± [2100] - [2109] + [2115] + [2128] - [2129] ± [2130] = [2131] -341,069.

\*\* Share of partnership(s)/joint venture(s) adjusted net income/loss ± [2132] 0.

Adjusted net income (loss) (if loss, transfer to [2202] in Schedule B: Continuity of CMT Losses Carried Forward, Page 20.) = [2133] -341,069.

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

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

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

CMT Base = [2135] 0.

Transfer to CMT Base on Page 8

DOLLARS ONLY

## Corporate Minimum Tax (CMT)



### Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2)	+ [2201]	0.
Add: Current year's losses	+ [2202]	341,069.
Losses from predecessor corporations on amalgamation (3)	+ [2203]	0.
Losses from predecessor corporations on wind-up (3)	+ [2204]	0.
Amalgamation (x) [2205] <input type="checkbox"/> Yes    Wind-up (x) [2206] <input type="checkbox"/> Yes		
Subtotal	=	341,069. + [2207] 341,069.
Adjustments (attach schedule)	± [2208]	0.
CMT losses available	[2201] + [2207] ± [2208]	= [2209] 341,069.
Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income	+ [2210]	0.
Other eligible losses utilized during the year to reduce adjusted net income (4)	+ [2211]	0.
Losses expired during the year	+ [2212]	0.
Total	=	0. - [2213] 0.
Balances at End of Year (5)	[2209] - [2213]	= [2214] 341,069.

**Notes:**

- |  |  |
|--|--|
| <p>(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.</p> <p>(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))</p> | <p>(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))</p> <p>(4) CMT losses must be used to the extent of the lesser of the adjusted net income [2133] and CMT losses available [2209].</p> <p>(5) Amount in [2214] must equal sum of [2270] + [2290].</p> |
|--|--|

### Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
[2240]	2001-12-31	[2260] 341,069	[2280] 0
[2241]		[2261] 0	[2281] 0
[2242]		[2262] 0	[2282] 0
[2243]		[2263] 0	[2283] 0
[2244]		[2264] 0	[2284] 0
[2245]		[2265] 0	[2285] 0
[2246]		[2266] 0	[2286] 0
[2247]		[2267] 0	[2287] 0
[2248]		[2268] 0	[2288] 0
[2249]		[2269] 0	[2289] 0
Totals		[2270] 341,069	[2290] 0

The sum of amounts [2270] + [2290]  
must equal amount in [2214].

DOLLARS ONLY

## Corporate Minimum Tax (CMT)

### Schedule D: Continuity of CMT Credit Carryovers



Balance at Beginning of year (1)	+ [2301]	0.
Add: Current year's CMT Credit ( [280] on page 8. If negative, enter NIL)	+ From [280]	0.
CMT Credit Carryovers from predecessor corporations (2)	+ [2302]	0.
Amalgamation (x) [2303] <input type="checkbox"/> Yes    Wind-up (x) [2304] <input type="checkbox"/> Yes		
Subtotal	= 0.	+ [2305] 0.
Adjustments (Attach schedule)	+ [2306]	0.
CMT credit carryover available	[2301] + [2305] + [2306]	= [2307] 0.
		<i>Transfer to Page 8</i>
Subtract: CMT Credit utilized during the year to reduce income tax (Page 8)	+ From [310]	0.
CMT Credit expired during the year	+ [2308]	0.
Subtotal	= 0.	- [2309] 0.
Balance at End of Year (3)	[2307] - [2309]	= [2310] 0.

#### Notes:

- (1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(6))
- (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 sum of [2370] + [2390].

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

	Year of Origin (oldest year first) <small>year month day</small>	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
[ ]	2001-12-31	[2360] 0	[2380] 0
[2341]		[2361] 0	[2381] 0
[2342]		[2362] 0	[2382] 0
[2343]		[2363] 0	[2383] 0
[2344]		[2364] 0	[2384] 0
[2345]		[2365] 0	[2385] 0
[2346]		[2366] 0	[2386] 0
[2347]		[2367] 0	[2387] 0
[2348]		[2368] 0	[2388] 0
[2349]		[2369] 0	[2389] 0
Totals		[2370] 0	[2390] 0

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

Newmarket Hydro Ltd.

Corp. Tax Acct. No. : 1800138

Year Ended: 2001-12-31

CT23-Supp.

ONTARIO CT23 SUPPLEMENTARY - LIST OF ASSOCIATED CORPORATIONS

Name of Associated Corporation	Ontario Corp.		Taxable Capital	Total Assets (Note 1)	Total Revenue (Note 1)	Taxable Income (Note 2)
	Tax Number	Taxation Year end				
Newmarket Hydro Holdings Inc		2001-12-31	188,644	3,989,023	15,695	0
Unipower Holdings Ltd.		2001-12-31	100	100	0	0
1443393 Ontario Inc.		2001-12-31	100	100	0	0
1443394 Ontario Inc.		2001-12-31	100	100	0	0
1443396 Ontario Inc.		2001-12-31	100	100	0	0
1443397 Ontario Inc.		2001-12-31	100	100	0	0
1443398 Ontario Inc.		2001-12-31	100	100	0	0
1402318 Ontario Inc		2001-12-31	100	100	0	0
<b>TOTALS</b>			189,344	3,989,723	15,695	0

Note 1: Enter total assets and total revenues only if "Corporate Minimum Tax (CMT)" is applicable.

Note 2: Enter Taxable Income amounts only if "Surtax on a CCPC" is applicable  
(i.e. IDSBC is applicable).

Ontario CT23 Supplementary



Newmarket Hydro Ltd.  
Corp. Tax Acct. No. : 1800138

Ont. Sch. 008  
Year Ended: 2001-12-31

Summary of Capital Cost Allowance

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	0	42,375,227	-610,486	0	21,187,613	4	0	0	207,463	41,557,278
3	0	9,330	0	0	4,665	5	0	0	59	9,271
8	0	3,426,544	0	0	1,713,272	20	0	0	86,368	3,340,176
10	0	793,290	0	0	396,645	30	0	0	29,993	763,297
12	0	381,258	0	0	190,629	100	0	0	48,049	333,209
13	0	7,220	0	0	3,610		0	0	182	7,038
17	0	93,000	0	0	46,500	8	0	0	938	92,062
Total	0	47,085,869	-610,486	0	23,542,934		0	0	373,052	46,102,331

Ontario Cumulative Eligible Capital Deduction  
Schedule 10

(For taxation years 2000 and later)

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

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

Ontario Cumulative eligible capital - balance at end of preceding taxation year

(If negative, enter zero)..... 0 A

Add: Cost of eligible capital property acquired during  
the taxation year..... + 3,062,548 B

Amount transferred on amalgamation or  
wind-up of subsidiary..... + 0 C

Other adjustments..... + 0 D

Total of B + C + D..... = 3,062,548 x 0.75 = 2,296,911 E  
=====

Subtotal A + E..... = 2,296,911 F  
=====

Deduct: Ontario proceeds of sales (less outlays and expenses not  
otherwise deductible) from the disposition of all eligible  
capital property during the taxation year..... + 0 G

The gross amount of a reduction in respect of a forgiven  
debt obligation as provided for in subsection 80(7) of  
the "Income Tax Act" (Canada)..... + 0 H

Other adjustments..... + 0 I

Total of G + H + I..... = 0 x 0.75 = 0 J  
=====

Ontario cumulative eligible capital balance F - J..... = 2,296,911 K  
"If K is negative, enter zero at line M and proceed to Part 2" =====

Current year deduction 2,296,911 K x 7.00% \*..... = 40,526 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)..... = 2,256,385 M  
=====

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

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

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

Amount from line K above "show as a positive amount".....			0	N
Total cumulative eligible capital deductions from income for taxation years commencing before July 1, 1988.....		0	1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA.....		0	2	
Total of cumulative eligible capital deductions claimed for taxation years commencing after June 30, 1988.....	0	3		
Negative balances in the cumulative eligible capital account that were included in income for taxation years commencing after June 30, 1988.....	0	4		
Line 3 deduct line 4.....	0		0	5
Lines 1 + 2 + 5.....			0	6
Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000.....			0	7
Deduct line 7 from line 6.....	0			0 O
N - O (cannot be negative).....				0 P
Amount on line 5	0	x 1/2.....		0 Q
P - Q.....				0 R
Amount on line R	0	x 2/3 *.....		0 S
Lesser of line N or line O.....				0 T
Amount to be included in income S + T For taxation years ending before February 28, 2000, line N - line Q.....			0	

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

**Newmarket Hydro Ltd.**  
**Balance Sheet**  
**For the Period Ended December 31, 2001**

	Year To Date Actual	Previous Year Actual
<b>Assets</b>		
<b>Current</b>		
Cash	\$11,864,149	\$8,406,522
Accounts Receivable	3,475,464	4,759,692
Unbilled Revenue	4,605,381	3,771,131
Allowance for Doubtful Accounts	(25,000)	(21,251)
Inventory	725,289	704,096
Prepaid Expenses	56,082	50,410
Other Current Assets	10,000	0
	20,711,364	17,670,600
<b>Other Assets</b>		
Deferred Charges	21,849	11,349
Upper Canada Energy Alliance	(7,805)	(51,420)
Restructuring Costs	531,241	231,350
Other Assets	25,705	29,905
Intangibles	67,422	
	638,412	221,183
<b>Capital Assets</b>		
Original Cost less Contributions Received after Dec 31, 1999	64,355,157	63,974,712
Accumulated Depreciation & Amortization	(26,828,406)	(24,633,163)
Book Value	37,526,751	39,341,549
	\$58,876,527	\$57,233,332
<b>Liabilities</b>		
<b>Current</b>		
Accounts Payable	\$4,559,459	\$4,140,766
Customer Credit Balances	289,765	267,116
Current Portion of Customer Deposits	173,000	147,822
Current Portion of Subdivider Lot Levies	17,860	35,160
Excess Working Funds payable to Holding Co.	3,970,550	
Other Current Liabilities	499,612	325,111
	9,510,246	4,915,975
<b>Other Liabilities</b>		
Customer Deposits	1,626,458	1,396,814
Subdivider Lot Levies	0	52,820
Employee Future Benefits	177,537	82,196
Other Liabilities	0	0
	1,803,995	1,531,830
<b>Long Term Debt</b>		
Long Term Debt with Holding Co.	22,000,000	
Total Long Term Debt	22,000,000	
<b>Shareholder Equity</b>		
Total Equity	25,562,289	50,785,528
	25,562,289	50,785,528
	\$58,876,527	\$57,233,334

**Newmarket Hydro Ltd.**  
**Statement of Operations**  
**For the Period Ended December 31, 2001**

**October to  
December**

<b>Service Revenue</b>	
General Service	7,609,792
Residential	4,510,054
Street Lighting	80,520
Sentinel Lights	8,520
	12,208,886
Unbilled Revenue Adjustment	233,337
	12,442,223
<b>Cost of Power</b>	
Power Purchased From OPG	11,067,531
<b>Gross Margin</b>	<b>1,374,692</b>
<b>Other Income</b>	
Late Payment Charges	51,001
Interest	101,264
Occupancy, Connection & Collection Fees	45,788
Rentals	9,577
Power Bill Aggregation	164,915
Miscellaneous	47,482
Gain or Loss on Disposal of Capital Assets	2,387
	422,414
<b>Operating Expenses</b>	
Amortization of Capital Assets & Contributed Capital	569,237
System Operation and Maintenance	349,157
Customer Billing and Collecting	340,854
Community Relations & Advertising	18,944
Administration	384,996
Write-Down of Intangibles	
Interest	407,819
Taxes & Insurance	55,799
Net balance in Burden Accounts	11,369
	2,138,176
<b>Net Income / (Loss) before Income Tax</b>	<b>(341,070)</b>
<b>Income Tax</b>	<b>24,500</b>
<b>Net Income / (Loss) after Income Tax</b>	<b>(365,570)</b>