

**Exhibit 6:**

**REVENUE DEFICIENCY OR SUFFICIENCY**



Exhibit 6: Revenue Deficiency Or Sufficiency

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**Tab 1 (of 3): Overview**

1     **REVENUE REQUIREMENT AND REVENUE DEFICIENCY**

2

3     Kingston Hydro has calculated a Gross Revenue Deficiency of \$695,601 for the  
4     2023 Test Year.

5

6     The above-noted revenue deficiency is based on comparisons to a projection of  
7     2023 revenue at current distribution rates.

8

9     The revenue deficiency calculation are net of electricity price differentials  
10    captured in the RSVAs and also net of any cost associated with LV charges or  
11    DVA balances.

12

13    ***Determination of Net Income***

14    For 2023, the utility's net income of \$2,284,489 is as detailed on Line 14, in  
15    Sheet 5 – Utility Income of the Revenue Requirement Workform ("RRWF").

16

17    ***Statement of Rate Base***

18    Rate Base represents the average balance of opening and closing balances for  
19    net capital assets in service plus 7.5% of the cost of power and controllable  
20    operating expenses for the 2023 test year. It is detailed on Line 14, in Sheet 4 –  
21    Rate Base of the RRWF.

22

23    ***Actual Return on Equity Portion of Rate Base***

24    For 2023, the utility's actual return on equity portion of Rate Base is 6.72%. It is  
25    detailed on Line 18, in Sheet 8 – Rev\_Def\_Suff of the RRWF.

1 ***Indicated Rate of Return***

2 For 2023, the utility's indicated rate of return is 4.83%. It is detailed on Line 21,  
3 in Sheet 8 – Rev\_Def\_Suff of the RRWF.

4

5 ***Requested Rate of Return***

6 For 2023, the utility's requested rate of return is 5.61%. It is detailed on Line 22,  
7 in Sheet 8 – Rev\_Def\_Suff of the RRWF.

8

9 ***Deficiency or Sufficiency in Revenue***

10 For 2023, the utility's deficiency in revenue is 0.78% or \$511,267. It is detailed  
11 on Lines 23 and 25 in Sheet 8 – Rev\_Def\_Suff of the RRWF.

12

13 ***Gross Deficiency or Sufficiency in Revenue***

14 For 2023, the utility's gross deficiency in revenue is \$695,601. It is detailed on  
15 Line 26 in Sheet 8 – Rev\_Def\_Suff of the RRWF.

16

17 ***Summary of the Drivers for the Test Year Deficiency***

18 A summary of the major drivers for the 2023 revenue deficiency compared to the  
19 2020 OEB approved revenue requirement are as follows:

20

- 21 - The increase in rate base from the last Board approved 2020 rate base of  
22 \$61.1 million to the 2023 rate base of \$65.9 million. This \$4.8 million  
23 increase contributes \$269,000 to the revenue requirement from 2020.
- 24 - Also shown is the increase in OM&A expenses from the 2020 Board  
25 approved of \$7.4 million to the 2023 projected OM&A expenses of \$8.2  
26 million contributing \$800,000 to the increase in revenue requirement from  
27 2020.
- 28 - In addition, there is an increase in depreciation expense of \$400,000 from  
29 the Board approved amount of \$2.2 million to the 2023 calculation of \$2.6

1 million. This increase contributes \$400,000 to the increase in revenue  
2 requirement from 2020.

3

4 The difference between the 2020 OEB approved revenue requirement of \$13.69  
5 million and the 2023 revenue requirement of \$14.99 million is \$1.3 million.

6

7 Kingston RRWF for 2020 for EB-2015-0083 is entitled

8 [Kingston Settlement 2020 Rev Req Workform V6 20151103](#).

9 and can be found at:

10 [https://www.rds.oeb.ca/CMWebDrawer/Record?q=CaseNumber=EB-2015-](https://www.rds.oeb.ca/CMWebDrawer/Record?q=CaseNumber=EB-2015-0083&sortBy=recRegisteredOn-&pageSize=400)  
11 [0083&sortBy=recRegisteredOn-&pageSize=400](https://www.rds.oeb.ca/CMWebDrawer/Record?q=CaseNumber=EB-2015-0083&sortBy=recRegisteredOn-&pageSize=400)

12

### 13 **Revenue Requirement Work Form**

14 Kingston Hydro has filed, a live Microsoft Excel version of the Revenue  
15 Requirement Work Form ("RRWF") for 2023.

16

17 The 2022 forecast of distribution rate revenues at existing rates is \$13,368,461.

18

19 The 2023 forecast of distribution rate revenues at existing rates is \$13,480,230.

20

21 The 2023 forecast of distribution rate revenues at proposed rates is \$14,176,000,  
22 a 5.2% increase from the current rates.



Exhibit 6: Revenue Deficiency Or Sufficiency

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**Tab 2 (of 3): Payments in Lieu of Taxes and  
Property Taxes**

1     **PAYMENTS IN LIEU OF TAXES AND PROPERTY TAXES**

2

3     **Introduction**

4

5     Kingston Hydro is subject to Payments in Lieu of Taxes (“PILs”) under section 93  
6     of the *Electricity Act*. These PILs are based on its taxable income.

7

8     Kingston Hydro’s PILs in revenue requirement are as detailed in the latest PILs  
9     model available on the OEB Website. It is filed as:

10

11     ***Kingston\_2023\_Test\_year\_Income\_Tax\_PILs\_final\_for\_RRWF\_20220617***

12

13     Included in the PILs model are calculations of taxable income for the Historic  
14     (2021), Bridge (2022) and Test Year (2023). Also included is the calculation of  
15     taxes payable for the Bridge Year and Test Year. All supporting schedules used  
16     to derive taxable income and taxes payable are included.

17

18     For 2023, the amount of PILs included in revenue requirement is \$347,699. The  
19     detailed calculations can be found in the PILs model as noted above.

20

21     Kingston Hydro has also included copies of the most recent Federal and  
22     Provincial tax returns. The financial statements that were filed with the historic  
23     tax returns were not different than those provided in support of the application.

1 **General Methodology**

2

3 The tax rates used by Kingston Hydro to calculate PILs payable is as provided by  
4 the OEB's PILs Model. The Applicant confirmed the tax rates and its eligibility for  
5 the Small business deduction with its tax advisors.

6

7 The effective Federal tax rate is 15.0%. The effective Ontario tax rate, after a  
8 reduction for the Small Business deduction, is 11.5% for a combined effective tax  
9 rate of 26.5%. Therefore total PILs payable for 2023 is estimated to be  
10 \$255,559. To ensure adequate recovery of PILs in its rates, this amount is then  
11 grossed up and the resulting amount of \$347,699 is included in revenue  
12 requirement.

13

14 In the calculation of regulatory taxable income, Kingston Hydro used regulatory  
15 net income as a starting point. This amount is then adjusted for the difference  
16 between amortization and Capital Cost Allowance for those assets included in  
17 rate base as well as adjustments for deferred revenue included in other income  
18 and, in accordance with the last paragraph of section 2.6.2.1 of the Filing  
19 Requirements, the effect of the elimination of the accelerated CCA in 2024.

20

21 **Principles**

22

23 In its preparation of the PILs model and derivation of the additional revenue  
24 requirement for PILs, Kingston Hydro has ensured the following integrity checks  
25 have been completed:

26

- 27 - The depreciation and amortization added back in the application's PILs  
28 model agree with the numbers disclosed in the rate base section of the  
29 application;



- 1 - The capital additions and deductions in the UCC/ CCA Schedule 8 agree  
2 with the rate base section for historical, bridge and test years;  
3 - Schedule 8 of the most recent federal T2 tax return filed with the  
4 application has a closing December 31st historical year UCC that agrees  
5 with the opening bridge year UCC at January 1st. There are no non-  
6 distribution tax amounts on Schedule 8.  
7 - The CCA deductions in the application's PILs tax model for historical,  
8 bridge and test years agree with the numbers in the UCC schedules for  
9 the same years filed in the application;  
10 - Kingston Hydro has no loss carry-forwards;  
11 - CCA has been maximized;  
12 - Consistent with Kingston Hydro's prior decisions (EB-2010-0136 and EB-  
13 2015-0083) adjustments for OPEB and pension amounts have not been  
14 added back on Schedule 1;  
15 - The income tax rate used to calculate the tax expense must be consistent  
16 with the utility's actual tax facts and evidence filed in the proceeding.  
17 - Kingston Hydro does not expect to pay Capital Tax or Corporate Minimum  
18 Tax in any of the 2023 Test Years.  
19 - Kingston Hydro's property tax expense has not been included in the PIL's  
20 calculation other than as a regular deduction in the calculation of  
21 regulatory accounting income.  
22 - Regulatory assets and liabilities have been excluded from all PILs  
23 calculations.  
24 - The balances in account 1592 have been included in the DVA schedule  
25 and all calculations with respect to the amounts in that account can be  
26 found in Exhibit 9.  
27 - Account 1592 is not expected to continue past 2022 – adjustments for the  
28 elimination of the accelerated CCA in 2024 are as noted below.

1 Detailed calculations of actual PILs for the 2021 Actual year is as per the  
2 corporate tax returns included with this application.

3

4 Detailed calculations of the 2021 Actual and 2022 Bridge Year as well as the  
5 2023 estimated PILs for the Test year are as per the  
6 "Kingston\_2023\_Test\_year\_Income\_Tax\_PILs\_final for RRWF\_20220617".

7

### 8 **Adjustments to arrive at Taxable income**

9

10 For the 2023 Test year, specific adjustments have been made to Net income  
11 before taxes, (which agrees to Utility Net income on the Revenue Requirement  
12 Work Form) to arrive at Regulatory Taxable income.

13

- 14 - Amortization of capital assets per Appendix 2BA is added back,
- 15 - An amount of \$187,019 to reflect the additional tax that will need to be  
16 paid during the IRM years (see explanation below),
- 17 - Amortization of deferred revenue included in other income is deducted as  
18 this amount is accounted for in schedule 8 of the tax return in the year the  
19 contributions are received. For tax purposes the amount is included as  
20 part of the CCA calculations,
- 21 - CCA from Schedule 8 is deducted. This includes the accelerated CCA  
22 available in 2023. Total deductions for 2023 for CCA is \$3,976,573.  
23 Capital additions on schedule 8 are as per Appendix 2BA.

24

25 With respect to the 2<sup>nd</sup> point noted above, Kingston Hydro will only have the  
26 benefit of the accelerated CCA in 2023 and therefore during the IRM period will  
27 not be recovering enough PILs in its rates for 2024-2027.



1 In accordance with the filing requirements in 2.6.2.1, Kingston Hydro is proposing  
2 to smooth the impact of the elimination of the accelerated CCA in 2024.  
3 Kingston Hydro recalculated the CCA that would be available in 2023 as if there  
4 were no accelerated CCA. This amount is calculated as total UCC in column 9 of  
5 Schedule 8 of the PILs model multiplied by the CCA rate for the year. The total  
6 CCA without the accelerated CCA option is \$3,742,798. This results in total tax  
7 payable (before Gross Up) of \$267,949 compared to total tax payable of  
8 \$205,999 (before Gross Up) with the accelerated CCA.

9

10 Kingston Hydro then has calculated a 5-year tax payable based on taxes payable  
11 of \$205,999 in 2023 and \$267,949 in years 2024 through 2027 totaling  
12 \$1,277,795 for the five-year period, for an average annual PILs payable before  
13 gross up of \$255,559, an additional \$49,560 per year.

14

15 Therefore, Kingston Hydro has added back on Schedule 1 an amount of  
16 \$187,019 ( $\$49,560 \div 0.265$ ) so that total taxes payable (before gross  
17 up) for the application and included in revenue requirement amounts to  
18 \$255,559.

19

20 In order to illustrate the details of the above-noted adjustment, Kingston Hydro  
21 has attached 2 additional PILs models as follows:

22

- 23 - ***Kingston\_2023\_Test\_year\_Income\_Tax\_PILs\_no\_acc\_cca\_20220617***
- 24 - ***Kingston\_2023\_Test\_year\_Income\_Tax\_PILs\_orig\_20220617***

25

26 The impact of the utilization of account 1592 from 2016-2022 is as detailed in  
27 Exhibit 9.



Kingston Hydro Corporation  
Filed: June 17, 2022  
EB-2022-0044  
Exhibit 6  
Tab 2  
Schedule 1  
Attachment 1  
Page 1 of 1

***Attachment 1 (of 1):***

***Draft 2021 Kingston Hydro Corporation PILS***

# 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 or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

Send one completed copy of this return, including schedules and the General Index of Financial Information (GIFI), to your tax centre. You have to file the return within six months after the end of the corporation's tax year.

For more information see [canada.ca/taxes](http://canada.ca/taxes) or Guide T4012, T2 Corporation – Income Tax Guide.

**055** Do not use this area

**Identification**  
**Business number (BN)** 001 86652 9399 RC0001

**Corporation's name**  
002 Kingston Hydro Corporation

**Address of head office**  
Has this address changed since the last time we were notified? 010 Yes  No

If yes, complete lines 011 to 018.  
011 85 Lappan's Lane  
012

City Province, territory, or state  
015 Kingston 016 ON

Country (other than Canada) Postal or ZIP code  
017 018 K7L 4X7

**Mailing address** (if different from head office address)  
Has this address changed since the last time we were notified? 020 Yes  No

If yes, complete lines 021 to 028.  
021 c/o Randy Murphy  
022 85 Lappan's Lane  
023

City Province, territory, or state  
025 Kingston 026 ON

Country (other than Canada) Postal or ZIP code  
027 028 K7L 4X7

**Location of books and records** (if different from head office address)  
Has this address changed since the last time we were notified? 030 Yes  No

If yes, complete lines 031 to 038.  
031  
032

City Province, territory, or state  
035 036

Country (other than Canada) Postal or ZIP code  
037 038

**040 Type of corporation at the end of the tax year** (tick one)  
 1 Canadian-controlled private corporation (CCPC)  
 2 Other private corporation  
 3 Public corporation  
 4 Corporation controlled by a public corporation  
 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change 043 Year Month Day

**To which tax year does this return apply?**  
Tax year start Tax year-end  
Year Month Day Year Month Day  
060 2021-01-01 061 2021-12-31

**Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060?** 063 Yes  No   
If yes, provide the date control was acquired 065 Year Month Day

**Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)?** 066 Yes  No

**Is the corporation a professional corporation that is a member of a partnership?** 067 Yes  No

**Is this the first year of filing after:**  
Incorporation? 070 Yes  No   
Amalgamation? 071 Yes  No

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

**Has there been a wind-up of a subsidiary under section 88 during the current tax year?** 072 Yes  No

If yes, complete and attach Schedule 24.

**Is this the final tax year before amalgamation?** 076 Yes  No

**Is this the final return up to dissolution?** 078 Yes  No

**If an election was made under section 261, state the functional currency used** 079

**Is the corporation a resident of Canada?** 080 Yes  No

If no, give the country of residence on line 081 and complete and attach Schedule 97.  
081

**Is the non-resident corporation claiming an exemption under an income tax treaty?** 082 Yes  No

If yes, complete and attach Schedule 91.

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

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

Do not use this area  
095 096 898

**Attachments**

**Financial statement information:** Use GIFL schedules 100, 125, and 141.

**Schedules** – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	<input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	<input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	<input type="checkbox"/>	19
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
If you answered <b>yes</b> 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
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	<input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	<input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	<input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	<input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	<input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	<input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	<input type="checkbox"/>	88
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
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	<input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input checked="" type="checkbox"/>	3
Is the corporation claiming any type of losses?	<input type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input checked="" type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<input type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	<input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	<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 a provincial credit union tax reduction?	<input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	<input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<input checked="" type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<input checked="" type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
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
Is the corporation claiming a Canadian film or video production tax credit?	<input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	<input type="checkbox"/>	T1177
Is the corporation claiming a Canadian journalism labour tax credit?	<input type="checkbox"/>	58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<input type="checkbox"/>	92

**Attachments (continued)**

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year? .....	<b>271</b> <input type="checkbox"/>	T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN\$100,000? .....	<b>259</b> <input type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust? .....	<b>260</b> <input type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year? .....	<b>261</b> <input type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada? .....	<b>262</b> <input type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts? .....	<b>263</b> <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? .....	<b>264</b> <input type="checkbox"/>	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year? .....	<b>265</b> <input checked="" type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC? .....	<b>266</b> <input type="checkbox"/>	T2002
Has the corporation revoked any previous election made under subsection 89(11)? .....	<b>267</b> <input type="checkbox"/>	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year? .....	<b>268</b> <input checked="" type="checkbox"/>	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year? .....	<b>269</b> <input type="checkbox"/>	54

**Additional information**

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements? ... **270** Yes  No

Is the corporation inactive? .....

**280** Yes  No

What is the corporation's main revenue-generating business activity? . . . . . 913910 Other Local, Municipal and Regional Public Administration

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

<b>284</b> Electricity	<b>285</b> 100.000 %
<b>286</b> _____	<b>287</b> _____ %
<b>288</b> _____	<b>289</b> _____ %

Did the corporation immigrate to Canada during the tax year? .....

**291** Yes  No

Did the corporation emigrate from Canada during the tax year? .....

**292** Yes  No

Do you want to be considered as a quarterly instalment remitter if you are eligible? .....

**293** Yes  No

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible .....

**294**

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? .....

**295** Yes  No

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL .....	<b>300</b>	602,478	A
<b>Deduct:</b>			
Charitable donations from Schedule 2 .....	<b>311</b>		
Cultural gifts from Schedule 2 .....	<b>313</b>		
Ecological gifts from Schedule 2 .....	<b>314</b>		
Gifts of medicine made before March 22, 2017, from Schedule 2 .....	<b>315</b>		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 .....	<b>320</b>		
Part VI.1 tax deduction* .....	<b>325</b>		
Non-capital losses of previous tax years from Schedule 4 .....	<b>331</b>		
Net capital losses of previous tax years from Schedule 4 .....	<b>332</b>		
Restricted farm losses of previous tax years from Schedule 4 .....	<b>333</b>		
Farm losses of previous tax years from Schedule 4 .....	<b>334</b>		
Limited partnership losses of previous tax years from Schedule 4 .....	<b>335</b>		
Taxable capital gains or taxable dividends allocated from a central credit union .....	<b>340</b>		
Prospector's and grubstaker's shares .....	<b>350</b>		
Employer deduction for non-qualified securities .....	<b>352</b>		
Subtotal			B
Subtotal (amount A minus amount B) (if negative, enter "0")		602,478	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions .....	<b>355</b>		D
<b>Taxable income</b> (amount C plus amount D) .....	<b>360</b>	602,478	
<b>Taxable income</b> for the year from a personal services business .....			Z.1

\* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

**Small business deduction**

**Canadian-controlled private corporations (CCPCs) throughout the tax year**

Income eligible for the small business deduction from Schedule 7	<b>400</b>	602,478	A
Taxable income from line 360 on page 3, <b>minus</b> 100/28 ( 3.57143 ) of the amount on line 632* on page 8, <b>minus</b> 4 times the amount on line 636** on page 8, and <b>minus</b> any amount that, because of federal law, is exempt from Part I tax	<b>405</b>	602,478	B
Business limit (see notes 1 and 2 below)	<b>410</b>		C

**Notes:**

- For CCPCs that are not associated, enter \$ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
- For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

**Business limit reduction**

**Taxable capital business limit reduction**

Amount C	x	<b>415</b> ***	174,812	D	=	11,250	E
----------	---	----------------	---------	---	---	--------	---

**Passive income business limit reduction**

Adjusted aggregate investment income from Schedule 7****	.	<b>417</b>	-	50,000	=	F
--	---	------------	---	--------	---	---

Amount C	x	Amount F	=	100,000	G
----------	---	----------	---	---------	---

The greater of amount E and amount G **422** H

Reduced business limit (amount C **minus** amount H) (if negative, enter "0") **426** I

Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below) J

**Reduced business limit after assignment** (amount I **minus** amount J) **428** K

**Small business deduction** – Amount A, B, C, or K, whichever is the least x 19 % = **430**

Enter amount from line 430 at amount J on page 8.

- \* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.
- \*\* Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

**\*\*\* Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior** year **minus** \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current** year **minus** \$10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

\*\*\*\* Enter the total adjusted aggregate investment income of the corporation and all associated corporations for each tax year that ended in the preceding calendar year. Each corporation with such income has to file a Schedule 7. For a corporation's first tax year that starts after 2018, this amount is reported at line 744 of the corresponding Schedule 7. Otherwise, this amount is the total of all amounts reported at line 745 of the corresponding Schedule 7 of the corporation for each tax year that ended in the preceding calendar year.

**Specified corporate income and assignment under subsection 125(3.2)**

L1 Name of corporation receiving the income and assigned amount	L Business number of the corporation receiving the assigned amount	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L <sup>3</sup>	N Business limit assigned to corporation identified in column L <sup>4</sup>
1.	<b>490</b>	<b>500</b>	<b>505</b>
Total		<b>510</b>	<b>515</b>

**Notes:**

- This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income (other than specified farming or fishing income of the corporation for the year) from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
  - (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
  - (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
    - (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
    - (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
- The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column M in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 426.



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

**Canadian-controlled private corporations throughout the tax year**

Taxable income from line 360 on page 3	.....	_____	602,478	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27	.....	_____		B
Amount 13K from Part 13 of Schedule 27	.....	_____		C
Personal services business income	.....	<b>432</b>		D
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least	.....	_____		E
Aggregate investment income from line 440 on page 6*	.....	_____		F
		Subtotal (add amounts B to F)	_____	G
Amount A minus amount G (if negative, enter "0")	.....	_____	602,478	H
<b>General tax reduction for Canadian-controlled private corporations</b> – Amount H multiplied by 13 %	.....	_____	78,322	I

Enter amount I on line 638 on page 8.

\* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

**General tax reduction**

**Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.**

Taxable income from line 360 on page 3	.....	_____		J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27	.....	_____		K
Amount 13K from Part 13 of Schedule 27	.....	_____		L
Personal services business income	.....	<b>434</b>		M
		Subtotal (add amounts K to M)	_____	N
Amount J minus amount N (if negative, enter "0")	.....	_____		O
<b>General tax reduction</b> – Amount O multiplied by 13 %	.....	_____		P

Enter amount P on line 639 on page 8.

**Refundable portion of Part I tax**

**Canadian-controlled private corporations throughout the tax year**

Aggregate investment income from Schedule 7	<b>440</b>	x	30 2 / 3 %	=		A	
Foreign non-business income tax credit from line 632 on page 8						B	
Foreign investment income from Schedule 7	<b>445</b>	x	8 %	=		C	
Subtotal (amount B <b>minus</b> amount C) (if negative, enter "0")						D	
Amount A <b>minus</b> amount D (if negative, enter "0")						E	
Taxable income from line 360 on page 3					<b>602,478</b>	F	
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least						G	
Foreign non-business income tax credit from line 632 on page 8		x	75 / 29	=		H	
Foreign business income tax credit from line 636 on page 8		x	4	=		I	
Subtotal ( <b>add</b> amounts G to I)						J	
Subtotal (amount F <b>minus</b> amount J)					<b>602,478</b>	K	
				x	30 2 / 3 %	=	<b>184,760</b> L
Part I tax payable minus investment tax credit refund (line 700 <b>minus</b> line 780 from page 9)							<b>90,372</b> M
<b>Refundable portion of Part I tax</b> – Amount E, L, or M, whichever is the least							<b>450</b> N

**Refundable dividend tax on hand**

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460	
Dividend refund for the previous tax year	465	
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480	
Subtotal (line 460 <b>minus</b> line 465 <b>plus</b> line 480)		A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of Schedule 53)		B
Total eligible dividends paid in the previous tax year (from line 300 of Schedule 53)		C
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)		D
Subtotal (amount C <b>minus</b> amount D) (if negative, enter "0")		E
Net GRIP at the end of the previous tax year (amount B <b>minus</b> amount E) (if negative, enter "0")		F
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of Schedule 53)		G
Subtotal (amount F <b>plus</b> amount G)		H
Amount H <b>multiplied</b> by 38 1 / 3 %		I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 of the preceding tax year)	520	J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A <b>minus</b> amount I, otherwise, use line 545 of the preceding tax year) (if negative, enter "0")	535	K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)		L
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)		M
Subtotal (amount L <b>plus</b> amount M)		N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525	O
ERDTOH dividend refund for the previous tax year	570	P
Refundable portion of Part I tax (from line 450 on page 6)		Q
Part IV tax before deductions (amount 2A from Schedule 3)		R
Part IV tax allocated to ERDTOH (amount N)		S
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)		T
Subtotal (amount R <b>minus</b> total of amounts S and T)		U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540	V
NERDTOH dividend refund for the previous tax year	575	W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)		X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U <b>minus</b> amount X) (if negative enter "0")		Y
NERDTOH at the end of the tax year (total of amounts K, Q, V, and Y <b>minus</b> amount W) (if negative, enter "0")	545	Z
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N <b>minus</b> the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")		
ERDTOH at the end of the tax year (total of amounts J, O, and Z <b>minus</b> amount P) (if negative, enter "0")	530	

**Dividend refund**

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)	575,000	DD
NERDTOH balance at the end of the tax year (line 545)		EE
Non-eligible dividend refund (amount DD or EE, whichever is less)		FF
Amount DD <b>minus</b> amount EE (if negative, enter "0")	575,000	GG
Amount BB <b>minus</b> amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund – Amount CC <b>plus</b> amount FF <b>plus</b> amount II		JJ
Enter amount JJ on line 784 on page 9.		

**Part I tax**

Base amount Part I tax – Taxable income (from line 360 on page 3) multiplied by 38 %	550	228,942	A
<b>Additional tax on personal services business income</b> (section 123.5)			
Taxable income from a personal services business	555	x 5 % = 560	B
Recapture of investment tax credit from Schedule 31	602		C
<b>Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income</b> (if it was a CCPC throughout the tax year)			
Aggregate investment income from line 440 on page 6			D
Taxable income from line 360 on page 3	602,478		E
<b>Deduct:</b>			
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least			F
Net amount (amount E minus amount F)	602,478	602,478	G
Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G	604		H
Subtotal (add amounts A, B, C, and H)		228,942	I
<b>Deduct:</b>			
Small business deduction from line 430 on page 4			J
Federal tax abatement	608	60,248	
Manufacturing and processing profits deduction from Schedule 27	616		
Investment corporation deduction	620		
Taxed capital gains	624		
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
General tax reduction for CCPCs from amount I on page 5	638	78,322	
General tax reduction from amount P on page 5	639		
Federal logging tax credit from Schedule 21	640		
Eligible Canadian bank deduction under section 125.21	641		
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652		
Subtotal		138,570	K
<b>Part I tax payable</b> – Amount I minus amount K		90,372	L
Enter amount L on line 700 on page 9.			

**Privacy notice**

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties, or other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Info Source at [canada.ca/cra-info-source](http://canada.ca/cra-info-source).

**Summary of tax and credits**

**Federal tax**

Part I tax payable from amount L on page 8	700	90,372
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
<b>Total federal tax</b>		<b>90,372</b>

**Add provincial or territorial tax:**

Provincial or territorial jurisdiction	750	ON	
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)			
Net provincial or territorial tax payable (except Quebec and Alberta)			760 82,731
<b>Total tax payable</b>	<b>770</b>		<b>173,103 A</b>

**Deduct other credits:**

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount JJ on page 7	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit (Form T1131)	796	
Film or video production services tax credit (Form T1177)	797	
Canadian journalism labour tax credit from Schedule 58	798	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	128,917
<b>Total credits</b>	<b>890</b>	<b>128,917 B</b>

Balance (amount A minus amount B) 44,186

Refund code **894**

Refund

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

Balance owing 44,186

**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** \_\_\_\_\_ **918** \_\_\_\_\_  
Institution number Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? **896** Yes  No

If this return was prepared by a tax preparer for a fee, provide their EFILE number **920** A8025

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

**Certification**

I, **950** Murphy Last name **951** Randy First name **954** Chief Financial Officer 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 also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

**955** 2022-05-02 Date (yyyy/mm/dd) **956** (613) 546-1181 Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below **957** Yes  No

**958** \_\_\_\_\_ Name of other authorized person **959** \_\_\_\_\_ Telephone number

**Language of correspondence – Langue de correspondance**

Indicate your language of correspondence by entering **1** for English or **2** for French.  
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français.

**990**  1

Form identifier 100

**GENERAL INDEX OF FINANCIAL INFORMATION – GIF1**

Corporation's name	Business number	Tax year end Year Month Day
Kingston Hydro Corporation	86652 9399 RC0001	2021-12-31

**Balance sheet information**

Account	Description	GIFI	Current year	Prior year
<b>Assets</b>				
	Total current assets	<b>1599</b> +	22,756,737	24,019,306
	Total tangible capital assets	<b>2008</b> +	80,493,126	75,958,371
	Total accumulated amortization of tangible capital assets	<b>2009</b> -	16,613,611	14,193,536
	Total intangible capital assets	<b>2178</b> +		
	Total accumulated amortization of intangible capital assets	<b>2179</b> -		
	Total long-term assets	<b>2589</b> +	5,758,824	4,952,888
	* Assets held in trust	<b>2590</b> +		
	<b>Total assets</b> (mandatory field)	<b>2599</b> =	<u>92,395,076</u>	<u>90,737,029</u>

<b>Liabilities</b>				
	Total current liabilities	<b>3139</b> +	13,494,893	14,261,446
	Total long-term liabilities	<b>3450</b> +	44,829,684	43,315,111
	* Subordinated debt	<b>3460</b> +		
	* Amounts held in trust	<b>3470</b> +		
	<b>Total liabilities</b> (mandatory field)	<b>3499</b> =	<u>58,324,577</u>	<u>57,576,557</u>

<b>Shareholder equity</b>				
	<b>Total shareholder equity</b> (mandatory field)	<b>3620</b> +	34,070,499	33,160,472

	<b>Total liabilities and shareholder equity</b>	<b>3640</b> =	<u>92,395,076</u>	<u>90,737,029</u>
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<b>Retained earnings</b>				
	<b>Retained earnings/deficit – end</b> (mandatory field)	<b>3849</b> =	<u>17,827,893</u>	<u>17,089,279</u>

\* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Form identifier 125

**GENERAL INDEX OF FINANCIAL INFORMATION – GIF**

Corporation's name Kingston Hydro Corporation	Business number 86652 9399 RC0001	Tax year-end Year Month Day 2021-12-31
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**Income statement information**

Description	GIFI
Operating name	<b>0001</b>
Description of the operation	<b>0002</b>
Sequence number	<b>0003</b> 01

Account	Description	GIFI	Current year	Prior year
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Income statement information				
	Total sales of goods and services	<b>8089</b> +	87,708,832	98,440,272
	Cost of sales	<b>8518</b> -	76,347,988	85,836,827
	<b>Gross profit/loss</b>	<b>8519</b> =	11,360,844	12,603,445
	Cost of sales	<b>8518</b> +	76,347,988	85,836,827
	Total operating expenses	<b>9367</b> +	9,316,223	11,186,001
	<b>Total expenses (mandatory field)</b>	<b>9368</b> =	85,664,211	97,022,828
	Total revenue (mandatory field)	<b>8299</b> +	88,556,901	99,422,763
	Total expenses (mandatory field)	<b>9368</b> -	85,664,211	97,022,828
	<b>Net non-farming income</b>	<b>9369</b> =	2,892,690	2,399,935

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

	<b>Net income/loss before taxes and extraordinary items</b>	<b>9970</b> =	2,892,690	2,399,935
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	<b>Total – other comprehensive income</b>	<b>9998</b> =	171,413	-190,750
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Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	<b>9975</b> -		
	Legal settlements	<b>9976</b> -		
	Unrealized gains/losses	<b>9980</b> +		
	Unusual items	<b>9985</b> -		
	Current income taxes	<b>9990</b> -	186,864	207,791
	Future (deferred) income tax provision	<b>9995</b> -	467,212	294,935
	Total – Other comprehensive income	<b>9998</b> +	171,413	-190,750
	<b>Net income/loss after taxes and extraordinary items (mandatory field)</b>	<b>9999</b> =	2,410,027	1,706,459

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

## Notes Checklist

Corporation's name <b>Kingston Hydro Corporation</b>	Business number <b>86652 9399 RC0001</b>	Tax Year End Year Month Day <b>2021-12-31</b>
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- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the **accountant**) who prepared or reported on the financial statements. If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI) and T4012, T2 Corporation – Income Tax Guide.
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

### Part 1 – Information on the accountant who prepared or reported on the financial statements

Does the accountant have a professional designation? **095** Yes  No

Is the accountant connected\* with the corporation? **097** Yes  No

**Note**

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

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

### Part 2 – Type of involvement with the financial statements

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

Completed an auditor's report 1

Completed a review engagement report 2

Conducted a compilation engagement 3

### Part 3 – Reservations

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

Has the accountant expressed a reservation? **099** Yes  No

### Part 4 – Other information

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options: **110**

Prepared the tax return (financial statements prepared by client) 1

Prepared the tax return and the financial information contained therein (financial statements have not been prepared) 2

Were notes to the financial statements prepared? **101** Yes  No

If **yes**, complete lines 104 to 107 below:

Are subsequent events mentioned in the notes? **104** Yes  No

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

Is contingent liability information mentioned in the notes? **106** Yes  No

Is information regarding commitments mentioned in the notes? **107** Yes  No

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



**Part 4 – Other information (continued)**

**Impairment and fair value changes**

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? **200** Yes  No

If **yes**, enter the amount recognized:

	<b>In net income</b> Increase (decrease)	<b>In OCI</b> Increase (decrease)
Property, plant, and equipment	<b>210</b>	<b>211</b>
Intangible assets	<b>215</b>	<b>216</b>
Investment property	<b>220</b>	
Biological assets	<b>225</b>	
Financial instruments	<b>230</b>	<b>231</b> 233,215
Other	<b>235</b>	<b>236</b>

**Financial instruments**

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? **250** Yes  No

Did the corporation apply hedge accounting during the tax year? **255** Yes  No

Did the corporation discontinue hedge accounting during the tax year? **260** Yes  No

**Adjustments to opening equity**

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? **265** Yes  No

If **yes**, you have to maintain a separate reconciliation.

# Net Income (Loss) for Income Tax Purposes

## Schedule 1

Corporation's name <b>Kingston Hydro Corporation</b>	Business number <b>86652 9399 RC0001</b>	Tax year-end Year Month Day <b>2021-12-31</b>
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- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 ..... 2,410,027 A

**Add:**

Provision for income taxes – current	<b>101</b>	186,864	
Provision for income taxes – deferred	<b>102</b>	467,212	
Amortization of tangible assets	<b>104</b>	2,545,169	
Reserves from financial statements – balance at the end of the year	<b>126</b>	1,222,325	
Subtotal of additions		<u>4,421,570</u>	<u>4,421,570</u>

**Add:**

**Other additions:**

1 Description	2 Amount		
<b>605</b>	<b>295</b>		
Total of column 2		<b>296</b>	
		Subtotal of other additions	<u>199</u> 0
		<b>Total additions</b>	<u>500</u> 4,421,570

Amount A plus line 500 ..... 6,831,597 B

**Deduct:**

Capital cost allowance from Schedule 8	<b>403</b>	4,044,622	
Reserves from financial statements – balance at the beginning of the year	<b>414</b>	1,446,036	
Subtotal of deductions		<u>5,490,658</u>	<u>5,490,658</u>

**Deduct:**

Non-taxable/deductible other comprehensive income items ..... **347** 171,413

**Other deductions:**

	1 Description	2 Amount		
	<b>705</b>	<b>395</b>		
1	Def contributions in Other Income	144,913		
2	Net Movement In Reg Accounts tax	407,929		
3	Gain on sale of asset included in other income	14,206		
Total of column 2		<u>567,048</u>	<b>396</b>	567,048
		Subtotal of other deductions	<b>499</b>	<u>738,461</u>
		<b>Total deductions</b>	<b>510</b>	<u>6,229,119</u>

**Net income (loss) for income tax purposes** (amount B minus line 510) ..... 602,478 C

Enter amount C on line 300 of the T2 return.

## Attached Schedule with Total

Line 395 – Amount

Title Line 395 – Amount

Description	Operator (Note)	Amount
Deferred Tax Reg Liabilities SS32		-147,077 00
Due Rate Payers Reg Debit SS32	+	555,006 00
	+	
	<b>Total</b>	<b>407,929 00</b>

**Note:** The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula  $1+2*3$  will not result in the same thing as the formula  $1+3*2$ .

## Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation

Corporation's name <b>Kingston Hydro Corporation</b>	Business number <b>86652 9399 RC0001</b>	Tax year-end Year Month Day <b>2021-12-31</b>
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- Corporations must use this schedule to report:
  - non-taxable dividends under section 83
  - deductible dividends under subsection 138(6)
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d)
  - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3)
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations (as defined in subsection 186(3)).
- A payer corporation is **connected** with a recipient corporation at any time in a tax year, if at that time the recipient corporation meets either of the following conditions:
  - it controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b)
  - it owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.
- Column A1 – Enter "X" if dividends were received from a foreign source.  
Column F1 – Enter the code that applies to the deductible taxable dividend.

### Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H, I, I.1 and L **only if** the payer corporation is **connected**.

#### Important instructions to follow if the payer corporation is connected

- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
- When completing columns J, K and L use the **special calculations provided in the notes**.

A Name of payer corporation (from which the corporation received the dividend)	A1	B Enter 1 if payer corporation is <b>connected</b>	C Business number of <b>connected</b> corporation	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD	E Non-taxable dividends under section 83
<b>200</b>		<b>205</b>	<b>210</b>	<b>220</b>	<b>230</b>
1		2			
<b>Total of column E</b> (enter amount on line 402 of Schedule 1)					

**Part 1 – Dividends received in the tax year (continued)**

	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1),(b), or (d) <sup>note 1</sup>  <b>240</b>	F1	G Eligible dividends included in column F  <b>242</b>	H Total taxable dividends paid by <b>connected</b> payer corporation (for tax year in column D)  <b>250</b>
1				
	I Dividend refund of the <b>connected</b> payer corporation (for tax year in column D) <sup>note 2</sup>  <b>260</b>	I.1 Dividend refund of the <b>connected</b> payer corporation from its eligible refundable dividend tax on hand (ERDTH) (for tax year in column D) <sup>notes 2 and 5</sup>  <b>265</b>	J Part IV tax for eligible dividends. Dividends (from column G) <b>multiplied by</b> 38 1/3% <sup>note 3</sup>  <b>275</b>	K Part IV tax before deductions. Dividends (from column F) <b>multiplied by</b> 38 1/3% <sup>note 4</sup>  <b>280</b>
1				
<b>Total of column L (enter amount on line 2E in Part 2)</b>				
Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B) ..... 1A				
Taxable dividends received from non-connected corporations (total amounts from column F with code 2 in column B) ..... 1B				
Subtotal (amount 1A <b>plus</b> amount 1B, include this amount on line 320 of the T2 return) ..... 1C				
Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B) ..... 1D				
Eligible dividends received from non-connected corporations (total amounts from column G with code 2 in column B) ..... 1E				
Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B) ..... 1F				
Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with code 2 in column B) ..... 1G				
Subtotal (amount 1F <b>plus</b> amount 1G) ..... 1H				
Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B) ..... 1I				
Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with code 2 in column B) ..... 1J				
Subtotal (amount 1I <b>plus</b> amount 1J) ..... 1K				
Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H <b>minus</b> amount 1K) ..... 1L				

1 If taxable dividends are received, enter the amount in column F, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column K (and column J, if applicable). Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

2 If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable. For column L, you only have to estimate the payer's dividend refund from its eligible refundable dividend tax on hand (ERDTH) (column I.1).

3 For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column G.

4 For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column F.

5 For taxable dividends received from connected corporations (with a tax year starting after 2018), Part IV tax on dividends is equal to: total of amounts CC and II of the connected payer corporation (on page 7 of the T2 return) divided by column H multiplied by column F. If there is no dividend refund (or estimated dividend refund) to the connected payer corporation from its ERDTH for paying the taxable dividends, enter "0" in column L.

**Part 2 – Calculation of Part IV tax payable**

Part IV tax on dividends received before deductions (amount 1H in part 1) ..... 2A

Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) ..... **320** ..... 2B

Subtotal (amount 2A minus line 320) ..... **▶** ..... 2B

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

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

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

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

Total losses applied against Part IV tax (total of lines 330 to 345) ..... 2C

Amount 2C multiplied by 38 1 / 3 % ..... 2D

**Part IV tax payable** (amount 2B minus amount 2D, if negative enter "0") ..... **360** .....

(enter amount on line 712 of the T2 return)

**If your tax year begins after 2018**, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations (total of column L in part 1) ..... 2E

Amount 4A from Schedule 43 ..... 2F

**Part IV tax payable on taxable dividends received from connected corporations** (amount 2E minus amount 2F, if negative enter "0") ..... 2G

(enter at amount L on page 7 of the T2 return)

**If your tax year begins after 2018**, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1) ..... 2H

Amount 4C from Schedule 43 ..... 2I

**Part IV tax payable on eligible dividends received from non-connected corporations** (amount 2H minus amount 2I, if negative enter "0") ..... 2J

(enter at amount M on page 7 of the T2 return)

**Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund**

If your corporation's tax year-end is different than that of the recipient corporation with which you are connected, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

	L Name of recipient corporation with which you are connected	M Business number	N Tax year-end of recipient corporation in which the dividends in column O were received YYYYMMDD	O Taxable dividends paid to recipient corporations with which you are connected	P Eligible dividends included in column O
1	<b>400</b>	<b>410</b>	<b>420</b>	<b>430</b>	<b>440</b>
2	Corporation of the City of Kingston	87330 0495 RC0001	2021-12-31	1,500,000	
				1,500,000	

1,500,000  
(Total of column O) (Total of column P)

**Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund (continued)**

Total taxable dividends paid in the tax year to other than connected corporations	450	
Eligible dividends included in line 450	455	
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column O plus line 450)	460	1,500,000
Total eligible dividends paid in the tax year (total of column P plus line 455)	465	
Total non-eligible taxable dividends paid in the tax year (line 460 minus line 465)	470	1,500,000
Complete this part to determine the following amounts in order to calculate the dividend refund.		
Line 465 multiplied by 38 1 / 3 % (enter at amount AA on page 7 of the T2 return)		3A
Line 470 multiplied by 38 1 / 3 % (enter at amount DD on page 7 of the T2 return)		575,000 3B

**Part 4 – Total dividends paid in the tax year**

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)		1,500,000
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	1,500,000
Dividends paid out of capital dividend account	510	
Capital gains dividends	520	
Dividends paid on shares described in subsection 129(1.2)	530	
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540	
Subtotal (total of lines 510 to 540)		4A
<b>Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 minus amount 4A)</b>		<b>1,500,000 4B</b>

## Tax Calculation Supplementary – Corporations

Corporation's name <b>Kingston Hydro Corporation</b>	Business Number <b>86652 9399 RC0001</b>	Tax year-end Year Month Day <b>2021-12-31</b>
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- Use this schedule if, during the tax year, your corporation:
  - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B, and D in Part 1)
  - is claiming provincial or territorial tax credits or rebates (see Part 2), or
  - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- All legislative references are to the Income Tax Regulations.
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

### Part 1 – Allocation of taxable income

100		Enter the regulation that applies (402 to 413)				
A		B	C	D	E	F
Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year *		Total salaries and wages paid in jurisdiction	(B x taxable income) / G	Gross revenue attributable to jurisdiction	(D x taxable income) / H	Allocation of taxable income (C + E) x 1/2** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 Yes <input type="checkbox"/>	103		143		
Newfoundland and Labrador Offshore	004 Yes <input type="checkbox"/>	104		144		
Prince Edward Island	005 Yes <input type="checkbox"/>	105		145		
Nova Scotia	007 Yes <input type="checkbox"/>	107		147		
Nova Scotia Offshore	008 Yes <input type="checkbox"/>	108		148		
New Brunswick	009 Yes <input type="checkbox"/>	109		149		
Quebec	011 Yes <input type="checkbox"/>	111		151		
Ontario	013 Yes <input type="checkbox"/>	113		153		
Manitoba	015 Yes <input type="checkbox"/>	115		155		
Saskatchewan	017 Yes <input type="checkbox"/>	117		157		
Alberta	019 Yes <input type="checkbox"/>	119		159		
British Columbia	021 Yes <input type="checkbox"/>	121		161		
Yukon	023 Yes <input type="checkbox"/>	123		163		
Northwest Territories	025 Yes <input type="checkbox"/>	125		165		
Nunavut	026 Yes <input type="checkbox"/>	126		166		
Outside Canada	027 Yes <input type="checkbox"/>	127		167		
<b>Total</b>		<b>129</b>	<b>G</b>	<b>169</b>	<b>H</b>	

\* Permanent establishment is defined in subsection 400(2)

\*\* For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

#### Notes:

1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.
2. If your corporation has provincial or territorial tax payable, complete Part 2.
3. If your corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.



**Part 2 – Ontario tax payable, tax credits, and rebates**

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
602,478		602,478	69,285

Ontario basic income tax (from Schedule 500)	270	69,285	
Ontario small business deduction (from Schedule 500)	402		
Subtotal (line 270 <b>minus</b> line 402)		69,285	69,285 5A
Ontario transitional tax debits (from Schedule 506)	276		
Recapture of Ontario research and development tax credit (from Schedule 508)	277		
Subtotal (line 276 <b>plus</b> line 277)			5B
Gross Ontario tax (amount 5A <b>plus</b> amount 5B)			69,285 5C
Ontario resource tax credit (from Schedule 504)	404		
Ontario tax credit for manufacturing and processing (from Schedule 502)	406		
Ontario foreign tax credit (from Schedule 21)	408		
Ontario credit union tax reduction (from Schedule 500)	410		
Ontario political contributions tax credit (from Schedule 525)	415		
Ontario non-refundable tax credits (total of lines 404 to 415)			5D
Subtotal (amount 5C <b>minus</b> amount 5D) (if negative, enter "0")		69,285	5E
Ontario research and development tax credit (from Schedule 508)	416		
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E <b>minus</b> line 416) (if negative, enter "0")		69,285	5F
Ontario corporate minimum tax credit (from Schedule 510)	418		
Ontario community food program donation tax credit for farmers (from Schedule 2)	420		
Ontario corporate income tax payable (amount 5F <b>minus</b> the total of lines 418 and 420) (if negative, enter "0")		69,285	5G
Ontario corporate minimum tax (from Schedule 510)	278	13,446	
Ontario special additional tax on life insurance corporations (from Schedule 512)	280		
Subtotal (line 278 <b>plus</b> line 280)		13,446	13,446 5H
Total Ontario tax payable before refundable tax credits (amount 5G <b>plus</b> amount 5H)			82,731 5I
Ontario qualifying environmental trust tax credit	450		
Ontario co-operative education tax credit (from Schedule 550)	452		
Ontario apprenticeship training tax credit (from Schedule 552)	454		
Ontario computer animation and special effects tax credit (from Schedule 554)	456		
Ontario film and television tax credit (from Schedule 556)	458		
Ontario production services tax credit (from Schedule 558)	460		
Ontario interactive digital media tax credit (from Schedule 560)	462		
Ontario book publishing tax credit (from Schedule 564)	466		
Ontario innovation tax credit (from Schedule 566)	468		
Ontario business-research institute tax credit (from Schedule 568)	470		
Ontario regional opportunities investment tax credit (from Schedule 570)	472		
Ontario refundable tax credits (total of lines 450 to 472)			5J
Net Ontario tax payable or refundable tax credit (amount 5I <b>minus</b> amount 5J) (if a credit, enter amount in brackets) Include this amount on line 255.	290	82,731	

**Summary**

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits **255** 82,731

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.

If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

### Capital Cost Allowance (CCA)

Corporation's name <b>Kingston Hydro Corporation</b>	Business number <b>86652 9399 RC0001</b>	Tax year-end Year Month Day <b>2021-12-31</b>
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For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes  No

1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) or zero-emission vehicle (ZEV) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	9 UCC (column 2 plus column 3 plus or minus column 5 minus column 8) See note 8
<b>200</b>		<b>201</b>	<b>203</b>	<b>225</b>	<b>205</b>	<b>221</b>	<b>222</b>	<b>207</b>	
1. 3	Buildings	1,041,561	164,038	164,038				0	1,205,599
2. 1	Transmission system	2,155,029						0	2,155,029
3. 1	Substations	1,767,339						0	1,767,339
4. 1	Meters	3,875,789	131,360	131,360				0	4,007,149
5. 1	OHD distn system	5,789,226						0	5,789,226
6. 1	Underground	3,317,488						0	3,317,488
7. 8	Tools	453,670	32,810	32,810				0	486,480
8. 8		1,355						0	1,355
9. 1	Transformers	3,218,306	187,672	187,672				0	3,405,978
10. 10	Vehicles	405,291	206,623	206,623				14,206	597,708
11. 45	Scada Hardware	4						0	4
12. 47	2008 onwards - Electrical distributing eq	14,589,185	1,526,692	1,526,692				0	16,115,877
13. 47	2008 Onwards - Underground	5,733,688	960,495	960,495				0	6,694,183
14. 47	2008 Onwards - Substation	4,257,587	1,187,016	1,187,016				0	5,444,603
15. 8	Regulatory Asset - Smartmeters	404,323						0	404,323
16. 50	Computer equipment > Feb 2010	107,472	209,249	209,249				0	316,721
17. 47	Incremental capital - UG & Substation	1,523,286						0	1,523,286
18. 14.1		76,241						0	76,241
<b>Totals</b>		<b>48,716,840</b>	<b>4,605,955</b>	<b>4,605,955</b>				<b>14,206</b>	<b>53,308,589</b>

1 Class number *  See note 1	Description	10 Proceeds of disposition available to reduce the UCC of AIP and ZEV (column 8 <b>plus</b> column 6 <b>minus</b> column 3 <b>plus</b> column 4 <b>minus</b> column 7) (if negative, enter "0")	11 Net capital cost additions of AIP and ZEV acquired during the year (column 4 <b>minus</b> column 10) (if negative, enter "0")	12 UCC adjustment for AIP and ZEV acquired during the year (column 11 <b>multiplied</b> by the relevant factor)  See note 9	13 UCC adjustment for property acquired during the year other than AIP and ZEV (0.5 <b>multiplied</b> by the result of column 3 <b>minus</b> column 4 <b>minus</b> column 6 <b>plus</b> column 7 <b>minus</b> column 8) (if negative, enter "0")  See note 10	14 CCA rate %  See note 11	15 Recapture of CCA  See note 12	16 Terminal loss  See note 13	17 CCA (for declining balance method, the result of column 9 <b>plus</b> column 12 <b>minus</b> column 13, <b>multiplied</b> by column 14 or a lower amount)  See note 14	18 UCC at the end of the year (column 9 <b>minus</b> column 17)
<b>200</b>					<b>224</b>	<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>
1. 3	Buildings		164,038	82,019		5	0	0	64,381	1,141,218
2. 1	Transmission system					4	0	0	86,201	2,068,828
3. 1	Substations					4	0	0	70,694	1,696,645
4. 1	Meters		131,360	65,680		4	0	0	162,913	3,844,236
5. 1	OHD distrn system					4	0	0	231,569	5,557,657
6. 1	Underground					4	0	0	132,700	3,184,788
7. 8	Tools		32,810	16,405		20	0	0	100,577	385,903
8. 8						20	0	0	271	1,084
9. 1	Transformers		187,672	93,836		4	0	0	139,993	3,265,985
10. 10	Vehicles	14,206	192,417	96,209		30	0	0	208,175	389,533
11. 45	Scada Hardware					45	0	0	2	2
12. 47	2008 onwards - Electrical distr		1,526,692	763,346		8	0	0	1,350,338	14,765,539
13. 47	2008 Onwards - Underground		960,495	480,248		8	0	0	573,954	6,120,229
14. 47	2008 Onwards - Substation		1,187,016	593,508		8	0	0	483,049	4,961,554
15. 8	Regulatory Asset - Smartmete					20	0	0	80,865	323,458
16. 50	Computer equipment > Feb 21		209,249	104,625		55	0	0	231,740	84,981
17. 47	Incremental capital - UG & Su					8	0	0	121,863	1,401,423
18. 14.1						5	0	0	5,337	70,904
	<b>Totals</b>	<b>14,206</b>	<b>4,591,749</b>	<b>2,295,876</b>					<b>4,044,622</b>	<b>49,263,967</b>

Enter the total of column 15 on line 107 of Schedule 1.  
Enter the total of column 16 on line 404 of Schedule 1.  
Enter the total of column 17 on line 403 of Schedule 1.

- Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).
- Note 2. Include any property acquired in previous years that has now become available for use, net of any government assistance received or entitled to be received in the year from a government, municipality or other public authority, or a reduction of capital cost after the application of section 80. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.
- Note 3. An AIIP is a property (other than ZEV) that you acquired after November 20, 2018 and became available for use before 2028. ZEV is, subject to certain exceptions, a motor vehicle included in Class 54 or 55 that you acquired after March 18, 2019 and became available for use before 2028. The Government proposes to create Class 56 for zero-emission automotive equipment and vehicles that currently do not benefit from the accelerated rate provided by Classes 54 and 55. Class 56 would apply to eligible zero-emission automotive equipment and vehicles that are acquired after March 1, 2020, and became available for use before 2028. Columns 4, 10, 11 and 12 also apply for additions of class 56 property. See the T2 Corporation Income Tax Guide for more information.
- Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the UCC (column 9). Items that increase the UCC include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the UCC (show amounts that reduce the UCC in brackets) include assistance received or receivable during the year for a property, subsequent to its disposition, if such assistance would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f). See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5. Also include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor at least 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.
- Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.
- Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d) and
  - an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b)
- Include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.
- Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21). The proceeds of disposition of a ZEV that has been included in Class 54 and that is subject to the \$55,000 (plus sales taxes) capital cost limit will be adjusted based on a factor equal to the capital cost limit of \$55,000 (plus sales taxes) as a proportion of the actual cost of the vehicle.
- Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.
- Note 9. The relevant factors for property of a class in Schedule II, that is AIIP or included in Classes 54 to 56, available for use before 2024 are:
- 2 1/3 for property in Classes 43.1, 54 and 56
  - 1 1/2 for property in Class 55
  - 1 for property in Classes 43.2 and 53
  - 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information) and
  - 0.5 for all other property that is AIIP
- Note 10. The UCC adjustment for property acquired during the year other than AIIP and ZEV (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.
- Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.
- Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.
- Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1
  - property in Class 14.1, unless you have ceased carrying on the business to which it relates or
  - limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply, unless certain conditions are met
- Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction)
  - Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction)
  - Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction)
  - Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
  - Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2) (for single mine properties) and 1100(1)(ya.2) (for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive
- The AIIP also apply to property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit as well as to industrial mineral mine or a right to remove minerals from an industrial mineral mine. See the Income Tax Regulations for more detail.

**RELATED AND ASSOCIATED CORPORATIONS**

Name of corporation Kingston Hydro Corporation	Business Number 86652 9399 RC0001	Tax year end Year Month Day 2021-12-31
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- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name	Country of residence (other than Canada)	Business number (see note 1)	Relationship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
	<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>	<b>550</b>	<b>600</b>	<b>650</b>	<b>700</b>
1.	1425445 Ontario Limited		89340 4814 RC0001	3					
2.	Corporation of the City of Kingston		87330 0495 RC0001	1					
3.	1425447 Ontario Limited		89340 4616 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.

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

# Continuity of financial statement reserves (not deductible)

## Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Acc'd benefit - ext health	997,648			211,377	786,271
2	Acc'd benefit - pension plan	193,589			797	192,792
3	Acc'd benefit - sick leave	254,799			11,537	243,262
4						
	Reserves from Part 2 of Schedule 13					
	<b>Totals</b>	<b>1,446,036</b>			<b>223,711</b>	<b>1,222,325</b>

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.  
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

## Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

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

**Column 1:** Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

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

**Column 3:** Enter the association code from the list below 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** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
- 3 – Non-CCPC that is a **third corporation**
- 4 – Associated non-CCPC
- 5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

**Column 4:** Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

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

**Column 6:** Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed \$500,000.

### Allocating the business limit

Date filed (do not use this area) .....	<b>025</b>	Year Month Day
Enter the calendar year the agreement applies to .....	<b>050</b>	Year 2021
Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? .....	<b>075</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

  

	1 Name of associated corporations	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	<b>100</b>	<b>200</b>	<b>300</b>		<b>350</b>	<b>400</b>
1	Kingston Hydro Corporation	86652 9399 RC0001	1	500,000		
2	1425445 Ontario Limited	89340 4814 RC0001	1	500,000		
3	Corporation of the City of Kingston	87330 0495 RC0001	1	500,000		
4	1425447 Ontario Limited	89340 4616 RC0001	1	500,000	100.0000	500,000
<b>Total</b>					<b>100.0000</b>	<b>500,000</b> A

**Business limit reduction under subsection 125(5.1) of the Act**

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula  $0.225\% \times (C - \$10,000,000)$ . Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

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

**Special rules for business limit**

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.



## Taxable Capital Employed in Canada – Large Corporations

Corporation's name <b>Kingston Hydro Corporation</b>	Business number <b>86652 9399 RC0001</b>	Tax year-end Year Month Day <b>2021-12-31</b>
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- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than \$10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than \$10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- 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 I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

### Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	<b>101</b>		
Capital stock (or members' contributions if incorporated without share capital)	<b>103</b>	12,380,617	
Retained earnings	<b>104</b>	17,827,893	
Contributed surplus	<b>105</b>	3,893,103	
Any other surpluses	<b>106</b>		
Deferred unrealized foreign exchange gains	<b>107</b>		
All loans and advances to the corporation	<b>108</b>	36,960,782	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	<b>109</b>		
Any dividends declared but not paid by the corporation before the end of the year	<b>110</b>		
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	<b>111</b>		
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	<b>112</b>		
Subtotal (add lines 101 to 112)		<b>71,062,395</b>	<b>71,062,395 A</b>

**Note:**

Line 112 is determined by the formula  $(A - B) \times C/D$  (as per paragraph 181.2(3)(g)) where:

- A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
  - a) those lines applied to partnerships in the same manner that they apply to corporations, and
  - b) those amounts were computed without reference to amounts owing by the partnership
    - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
    - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.
- B is the partnership's deferred unrealized foreign exchange losses at the end of the period,
- C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and
- D is the partnership's income or loss for the period.





## Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Explanatory note

To total all loans and advances to corporation (line item by line item)

Description	Operator (Note)	Amount
Due to City of Kingston		1,088,619 00
Regulatory deferral account credit balances	+	710,254 00
Bank Loan	+	3,142,554 00
Due to retailers	+	74,385 00
Long-term loan payable	+	23,285,755 00
Employee future benefit liabilities	+	1,222,325 00
Deposits payable	+	1,327,706 00
Deferred Revenue	+	6,066,854 00
Derivative liability	+	42,330 00
<b>Total</b>		<b>36,960,782 00</b>

**Note:** The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2\*3 will not result in the same thing as the formula 1+3\*2.

**Shareholder Information**

Corporation's name <b>Kingston Hydro Corporation</b>	Business number <b>86652 9399 RC0001</b>	Tax year-end Year Month Day <b>2021-12-31</b>
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- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number (business number, partnership account number, social insurance number or trust number) per shareholder.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")	Social insurance number (9 digits)	Trust number (T followed by 8 digits)	Percentage common shares	Percentage preferred shares
	<b>100</b>	<b>200</b>	<b>300</b>	<b>350</b>	<b>400</b>	<b>500</b>
1	Corporation of the City of Kingston	873300495RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

### General Rate Income Pool (GRIP) Calculation

Corporation's name <b>Kingston Hydro Corporation</b>	Business number <b>86652 9399 RC0001</b>	Tax year-end Year Month Day <b>2021-12-31</b>
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On: 2021-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- Credit unions are **not** required to complete this schedule.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- When an eligible dividend was paid in the tax year or there was a change in the GRIP balance, file a completed copy of this schedule with your T2 Corporation Income Tax Return. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.

#### Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

##### 2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006?  Yes  No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006?  
Enter the date and go directly to question 4
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA?  Yes  No
- If the answer to question 3 is yes, complete Part "GRIP addition for 2006".**

##### Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year?  Yes  No
5. Corporations that become a CCPC or a DIC  Yes  No
- If the answer to question 5 is yes, complete Part 4.**

##### Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation  Yes  No
- If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.**
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC?  Yes  No
- If the answer to question 7 is yes, complete Part 4.**
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation?  Yes  No
- If the answer to question 8 is yes, complete Part 3.**

##### Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year?  Yes  No
- If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.**
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year?  Yes  No
- If the answer to question 10 is yes, complete Part 4.**
11. Was the subsidiary a CCPC or a DIC during its last taxation year?  Yes  No
- If the answer to question 11 is yes, complete Part 3.**

**Part 1 – General rate income pool (GRIP)**

GRIP at the end of the previous tax year		<b>100</b>	13,050,615
Taxable income for the year (DICs enter "0")*	<b>110</b>	602,478	
Amount on line 400, 405, 410, and 427 or 428** of the T2 return, whichever is the least*	<b>130</b>		
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income*	<b>140</b>		
Subtotal (line 130 <b>plus</b> line 140)			A
Income taxable at the general corporate rate (line 110 <b>minus</b> amount A) (if negative enter "0")	<b>150</b>	602,478	
After-tax income (line 150 <b>multiplied by</b> 0.72 (the general rate factor for the tax year))		<b>190</b>	433,784
Eligible dividends received in the tax year	<b>200</b>		
Dividends deductible under section 113 received in the tax year	<b>210</b>		
Subtotal (line 200 <b>plus</b> line 210)			B
Becoming a CCPC (amount W5 in Part 4)	<b>220</b>		
Post-amalgamation (total of amount E4 in Part 3 and amount W5 in Part 4)	<b>230</b>		
Post-wind-up (total of amount E4 in Part 3 and amount W5 in Part 4)	<b>240</b>		
Subtotal ( <b>add</b> lines 220, 230, and 240)	<b>290</b>		
Subtotal ( <b>add</b> lines 100, 190, 290, and amount B)			13,484,399 C
Eligible dividends paid in the previous tax year	<b>300</b>		
Excessive eligible dividend designations made in the previous tax year (If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)	<b>310</b>		
Subtotal (line 300 <b>minus</b> line 310)			D
GRIP before adjustment for specified future tax consequences (amount C <b>minus</b> amount D) (amount can be negative)	<b>490</b>	13,484,399	
Total GRIP adjustment for specified future tax consequences to previous tax years (amount L3 in Part 2)	<b>560</b>		
<b>GRIP at the end of the tax year</b> (line 490 <b>minus</b> line 560)	<b>590</b>	13,484,399	

Enter this amount on line 160 of Schedule 55, Part III.1 Tax on Excessive Eligible Dividend Designations.

\* For lines 110, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

\*\* If your tax year starts before 2019, use line 427. If your tax year starts after 2018, use line 428.

**Part 2 – GRIP adjustment for specified future tax consequences to previous tax years**

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2020-12-31

Taxable income before specified future tax consequences  
from the current tax year ..... 461,797 A1

**Enter the following amounts before specified future tax consequences from the current tax year:**

Amount on line 400, 405, 410, and  
427 or 428\*\* of the T2 return,  
whichever is the least ..... B1

Aggregate investment income  
(line 440 of the T2 return) ..... C1

Subtotal (amount B1 plus amount C1) ..... D1

Subtotal (amount A1 minus amount D1) (if negative, enter "0") ..... 461,797 ▶ ..... 461,797 E1

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences ..... F1

**Enter the following amounts after specified future tax consequences:**

Amount on line 400, 405, 410, and  
427 or 428\*\* of the T2 return,  
whichever is the least ..... G1

Aggregate investment income  
(line 440 of the T2 return) ..... H1

Subtotal (amount G1 plus amount H1) ..... I1

Subtotal (amount F1 minus amount I1) (if negative, enter "0") ..... J1

Subtotal (amount E1 minus amount J1) (if negative, enter "0") ..... K1

**GRIP adjustment for specified future tax consequences to the first previous tax year**

(amount K1 multiplied by 0.72 ) ..... **500** .....







**Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up  
(predecessor or subsidiary was a CCPC or a DIC in its last tax year)**

**nb. 1** Post amalgamation . . .  Post wind-up . . . . .

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year . . . . .		A4
Eligible dividends paid by the corporation in its last tax year . . . . .	B4	
Excessive eligible dividend designations made by the corporation in its last tax year . . . . .	C4	
Subtotal (amount B4 <b>minus</b> amount C4)	<u>                    </u> ▶	D4
<b>GRIP addition post-amalgamation or post-wind-up</b> (predecessor or subsidiary was a CCPC or a DIC in its last tax year) (amount A4 <b>minus</b> amount D4) . . . . .	<u>                    </u>	<u>                    </u> E4

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the E4 amounts. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

**Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC**

**nb. 1** Corporation becoming a CCPC  Post amalgamation  Post wind-up

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year ..... A5

The corporation's money on hand immediately before the end of its previous/last tax year ..... B5

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses ..... C5

Net capital losses ..... D5

Farm losses ..... E5

Restricted farm losses ..... F5

Limited partnership losses ..... G5

Subtotal (**add** amounts C5 to G5) ..... H5

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses ..... I5

Net capital losses ..... J5

Farm losses ..... K5

Restricted farm losses ..... L5

Limited partnership losses ..... M5

Subtotal (**add** amounts I5 to M5) ..... N5

Unused and unexpired losses at the end of the corporation's previous/last tax year (amount H5 **minus** amount N5) ..... O5

Subtotal (**add** amounts A5, B5, and O5) ..... P5

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year ..... Q5

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year ..... R5

All the corporation's reserves deducted in its previous/last tax year ..... S5

The corporation's capital dividend account immediately before the end of its previous/last tax year ..... T5

The corporation's low rate income pool immediately before the end of its previous/last tax year ..... U5

Subtotal (**add** amounts Q5 to U5) ..... V5

**GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (amount P5 minus amount V5) (if negative, enter "0")** ..... W5

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the W5 amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

**Part III.1 Tax on Excessive Eligible Dividend Designations**

Corporation's name <b>Kingston Hydro Corporation</b>	Business number <b>86652 9399 RC0001</b>	Tax year-end Year Month Day <b>2021-12-31</b>
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- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, General Rate Income Pool (GRIP) Calculation, or Schedule 54, Low Rate Income Pool (LRIP) Calculation, whichever is applicable.
- File the schedules with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

**Do not use this area**

**Part 1 – Canadian-controlled private corporations and deposit insurance corporations**

Taxable dividends paid in the tax year <b>not included</b> in Schedule 3	_____	
Taxable dividends paid in the tax year <b>included</b> in Schedule 3	_____	1,500,000
<b>Total taxable dividends paid in the tax year</b>	<b>100</b>	<u>1,500,000</u>
Total eligible dividends paid in the tax year	_____	<b>150</b>
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	_____	<b>160</b> 13,484,399
Excessive eligible dividend designation (line 150 <b>minus</b> line 160)	_____	A
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	_____	<b>180</b>
Subtotal (amount A <b>minus</b> line 180)	_____	B
<b>Part III.1 tax on excessive eligible dividend designations – CCPC or DIC</b> (amount B <b>multiplied by</b> 20 %)	_____	<b>190</b>

Enter the amount from line 190 on line 710 of the T2 return.

**Part 2 – Other corporations**

Taxable dividends paid in the tax year <b>not included</b> in Schedule 3	_____	
Taxable dividends paid in the tax year <b>included</b> in Schedule 3	_____	
<b>Total taxable dividends paid in the tax year</b>	<b>200</b>	
Total excessive eligible dividend designations in the tax year (amount A of Schedule 54)	_____	C
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	_____	<b>280</b>
Subtotal (amount C <b>minus</b> line 280)	_____	D
<b>Part III.1 tax on excessive eligible dividend designations – Other corporations</b> (amount D <b>multiplied by</b> 20 %)	_____	<b>290</b>

Enter the amount from line 290 on line 710 of the T2 return.

\* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax.

## Ontario Corporation Tax Calculation

Corporation's name <b>Kingston Hydro Corporation</b>	Business number <b>86652 9399 RC0001</b>	Tax year-end Year Month Day <b>2021-12-31</b>
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- Use this schedule if your corporation had a **permanent establishment** (as defined in section 400 of the federal Income Tax Regulations) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- Legislative references are to the federal Income Tax Act and Income Tax Regulations.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

### Part 1 – Ontario basic income tax

Ontario taxable income <sup>Note 1</sup> .....	<u>602,478</u>	1A
Ontario basic rate of tax for the year .....	<u>11.5 %</u>	1B
<b>Ontario basic income tax</b> (amount 1A multiplied by amount 1B) <sup>Note 2</sup> .....	<u>69,285</u>	1C

Note 1 If your corporation had a permanent establishment only in Ontario, enter the amount from line 360, from page 3 of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

Note 2 If your corporation had a permanent establishment in more than one jurisdiction or is claiming an Ontario tax credit in addition to Ontario basic income tax, or Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount 1C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

### Part 2 – Ontario small business deduction (OSBD)

Complete this part if your corporation claimed the federal small business deduction under subsection 125(1).

Line 400 of the T2 return .....	<u>602,478</u>	2A
Line 405 of the T2 return .....	_____	2B
Line 410 of the T2 return .....	_____	2C
Line 415 of the T2 return .....	<u>174,812</u>	2D
Amount 2C	x	Amount 2D
_____	x	<u>174,812</u>
		=
		<u>11,250</u>
Line 515 of the T2 return .....	_____	2E
Subtotal (amount 2C minus amount 2E minus amount 2F) .....	<u>          </u>	2G
Amount 2A, 2B or 2G whichever is the least .....	<u>          </u>	2H
Ontario domestic factor (ODF): Taxable income for Ontario <sup>Note 3</sup> .....	<u>602,478.00</u>	=
Taxable income for all provinces <sup>Note 4</sup> .....	<u>602,478</u>	=
Amount 2H multiplied by amount 2I .....	<u>1.00000</u>	2J
Ontario taxable income (amount 1A) .....	<u>602,478</u>	2K
Ontario small business income (amount 2J or 2K, whichever is less) .....	<u>          </u>	2L

#### Ontario small business deduction for the year

Amount 2L .....	x	Number of days in the tax year before January 1, 2020 .....	x	8 % =	_____ 2M
		Number of days in the tax year	365		
Amount 2L .....	x	Number of days in the tax year after December 31, 2019	365	x	8.3 % = _____ 2N
		Number of days in the tax year	365		
Ontario small business deduction for the year (amount 2M plus amount 2N) .....					<u>          </u> 2O

Enter amount 2O on line 402 of Schedule 5.

Note 3 Enter amount 1A.

Note 4 Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.



**Ontario Corporate Minimum Tax**

Corporation's name <b>Kingston Hydro Corporation</b>	Business number <b>86652 9399 RC0001</b>	Tax year-end Year Month Day <b>2021-12-31</b>
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- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  - 1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  - 2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  - 3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  - 4) a congregation or business agency to which section 143 of the federal Act applies;
  - 5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  - 6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

**Part 1 – Determination of CMT applicability**

Total assets of the corporation at the end of the tax year *	<b>112</b>	92,395,076
Share of total assets from partnership(s) and joint venture(s) *	<b>114</b>	
Total assets of associated corporations (amount from line 450 on Schedule 511)	<b>116</b>	24,443,499
Total assets (total of lines 112 to 116)		<u>116,838,575</u>
Total revenue of the corporation for the tax year **	<b>142</b>	88,556,901
Share of total revenue from partnership(s) and joint venture(s) **	<b>144</b>	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	<b>146</b>	110,344,783
Total revenue (total of lines 142 to 146)		<u>198,901,684</u>

The corporation is subject to CMT if:

- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than \$5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than \$10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than \$50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than \$100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

**\* Rules for total assets**

- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

**\*\* Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.



**Part 2 – Adjusted net income/loss for CMT purposes**

Net income/loss per financial statements *		<b>210</b>	2,410,027
<b>Add</b> (to the extent reflected in income/loss):			
Provision for current income taxes/cost of current income taxes	<b>220</b>	186,864	
Provision for deferred income taxes (debits)/cost of future income taxes	<b>222</b>	467,212	
Equity losses from corporations	<b>224</b>		
Financial statement loss from partnerships and joint ventures	<b>226</b>		
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	<b>230</b>		
<b>Other additions</b> (see note below):			
Share of adjusted net income of partnerships and joint ventures **	<b>228</b>		
Total patronage dividends received, not already included in net income/loss	<b>232</b>		
<b>281</b>	<b>282</b>		
<b>283</b>	<b>284</b>		
Subtotal		<b>654,076</b>	654,076 A
<b>Deduct</b> (to the extent reflected in income/loss):			
Provision for recovery of current income taxes/benefit of current income taxes	<b>320</b>		
Provision for deferred income taxes (credits)/benefit of future income taxes	<b>322</b>		
Equity income from corporations	<b>324</b>		
Financial statement income from partnerships and joint ventures	<b>326</b>		
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	<b>330</b>		
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	<b>332</b>		
Gain on donation of listed security or ecological gift	<b>340</b>		
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	<b>342</b>		
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	<b>344</b>		
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	<b>346</b>		
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	<b>348</b>		
<b>Other deductions</b> (see note below):			
Share of adjusted net loss of partnerships and joint ventures **	<b>328</b>		
Tax payable on dividends under subsection 191.1(1) of the federal Act <b>multiplied</b> by 3	<b>334</b>		
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	<b>336</b>		
Patronage dividends paid (from Schedule 16) not already included in net income/loss	<b>338</b>		
<b>381</b>	<b>382</b>		
<b>383</b>	<b>384</b>		
<b>385</b>	<b>386</b>		
<b>387</b>	<b>388</b>		
<b>389</b>	<b>390</b>		
Subtotal			B
Adjusted net income/loss for CMT purposes (line 210 <b>plus</b> amount A <b>minus</b> amount B)		<b>490</b>	3,064,103

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.  
If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

**Note**

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

- exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
- include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

**\* Rules for net income/loss**

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.



**Part 4 – Calculation of CMT credit carryforward**

CMT credit carryforward at the end of the previous tax year *	11,354	G
<b>Deduct:</b>		
CMT credit expired *	600	
CMT credit carryforward at the beginning of the current tax year * (see note below)	11,354	620 11,354
<b>Add:</b>		
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)	650	
CMT credit available for the tax year (amount on line 620 plus amount on line 650)		11,354 H
<b>Deduct:</b>		
CMT credit deducted in the current tax year (amount P from Part 5)		I
	Subtotal (amount H minus amount I)	11,354 J
<b>Add:</b>		
Net CMT payable (amount E from Part 3)	13,446	
SAT payable (amount O from Part 6 of Schedule 512)		
	Subtotal	13,446 K
CMT credit carryforward at the end of the tax year (amount J plus amount K)	670	24,800 L

\* For the first harmonized T2 return filed with a tax year that includes days in 2009:  
 – do not enter an amount on line G or line 600;  
 – for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.  
 For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

**Note:** If you entered an amount on line 620 or line 650, complete Part 6.

**Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable**

CMT credit available for the tax year (amount H from Part 4)		11,354	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	69,285	1	
For a corporation that is not a life insurance corporation:			
CMT after foreign tax credit deduction (amount D from Part 3)	82,731	2	
For a life insurance corporation:			
Gross CMT (line 540 from Part 3)		3	
Gross SAT (line 460 from Part 6 of Schedule 512)		4	
The <b>greater</b> of amounts 3 and 4		5	
	<b>Deduct:</b> line 2 or line 5, whichever applies:	82,731	6
	Subtotal (if negative, enter "0")		N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	69,285		
<b>Deduct:</b>			
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 minus line 450 from Schedule 5)		69,285	O
CMT credit deducted in the current tax year (least of amounts M, N, and O)			P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? **675** 1 Yes  2 No

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

**Part 6 – Analysis of CMT credit available for carryforward by year of origin**

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

\* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

\*\* Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

**Part 7 – Calculation of CMT loss carryforward**

CMT loss carryforward at the end of the previous tax year \* ..... Q

**Deduct:**

CMT loss expired \* ..... 700

CMT loss carryforward at the beginning of the tax year \* (see note below) ..... 720

**Add:**

CMT loss transferred on an amalgamation under section 87 of the federal Act \*\* (see note below) ..... 750

CMT loss available (line 720 plus line 750) ..... R

**Deduct:**

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) .....  
Subtotal (if negative, enter "0") ..... S

**Add:**

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) ..... 760

CMT loss carryforward balance at the end of the tax year (amount S plus line 760) ..... 770 T

- \* For the first harmonized T2 return filed with a tax year that includes days in 2009:
  - do not enter an amount on line Q or line 700;
  - for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

\*\* Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

**Note:** If you entered an amount on line 720 or line 750, complete Part 8.

**Part 8 – Analysis of CMT loss available for carryforward by year of origin**

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	<b>810</b>	<b>820</b>
9th previous tax year	<b>811</b>	<b>821</b>
8th previous tax year	<b>812</b>	<b>822</b>
7th previous tax year	<b>813</b>	<b>823</b>
6th previous tax year	<b>814</b>	<b>824</b>
5th previous tax year	<b>815</b>	<b>825</b>
4th previous tax year	<b>816</b>	<b>826</b>
3rd previous tax year	<b>817</b>	<b>827</b>
2nd previous tax year	<b>818</b>	<b>828</b>
1st previous tax year		<b>829</b>
Total ***		

\* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

\*\* Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

\*\*\* The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS  
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation Kingston Hydro Corporation	Business Number 86652 9399 RC0001	Tax year-end Year Month Day 2021-12-31
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- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>
1	1425445 Ontario Limited	89340 4814 RC0001	24,443,499	110,344,783
2	Corporation of the City of Kingston	87330 0495 RC0001	0	0
3	1425447 Ontario Limited	89340 4616 RC0001	0	0
	<b>Total</b>		<b>24,443,499</b>	<b>110,344,783</b>

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.

Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

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

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

**\* Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**\*\* Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.



**Summary of provincial information – provincial income tax payable**

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	602,478		
Taxable income	602,478		
% Allocation	100.00		
Attributed taxable income	602,478		
Tax payable before deduction*	69,285		
Deductions and credits			
Net tax payable	69,285		
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	82,731		
Instalments and refundable credits			
Balance due/Refund (-)	82,731		
<b>Logging tax payable (COZ-1179)</b>			
Tax payable	N/A		N/A

\* For Québec, this includes special taxes.

\*\* For Québec, this includes compensation tax and registration fee.

\*\*\* For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

**Summary of provincial carryforward amounts**

**Other carryforward amounts**

Ontario		
Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510		24,800

**Summary – taxable capital**

**Federal**

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
Kingston Hydro Corporation	75,955,677	75,955,677	62,285,567	62,285,567
1425445 Ontario Limited	11,738,536	11,738,536	11,521,134	11,521,134
Corporation of the City of Kingston				
1425447 Ontario Limited			2	2
<b>Total</b>	<b>87,694,213</b>	<b>87,694,213</b>	<b>73,806,703</b>	<b>73,806,703</b>

**Québec**

Corporate name	Paid-up capital used to calculate the Québec business limit reduction (CO-771) and to calculate the additional deduction for transportation costs of remote manufacturing SMEs (CO-156.TR)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN) and to determine the applicability of Forms CO-1029.8.33.CS and CO-1029.8.33.TE	Paid-up capital used to calculate the \$1 million deduction (CO-1137.A and CO-1137.E)	Paid-up capital used to determine the applicability of Form CO-737.SI
<b>Total</b>				



**Ontario**

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
<b>Total</b>	

**Alberta**

Corporate name	Taxable capital used to calculate the Alberta innovation employment grant (Schedule A29)
<b>Total</b>	

**Other provinces**

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)
<b>Total</b>	

## Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
<b>Federal information (T2)</b>					
Taxation year end	<b>2021-12-31</b>	<b>2020-12-31</b>	<b>2019-12-31</b>	<b>2018-12-31</b>	<b>2017-12-31</b>
Net income	602,478	461,797	478,096	363,112	647,578
Taxable income	602,478	461,797			647,578
Active business income	602,478	461,797	478,096	363,112	647,578
Dividends paid	1,500,000	400,000	800,000	700,000	500,000
Dividends paid – Regular	1,500,000	400,000	800,000	700,000	500,000
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	13,050,615	12,718,121	12,373,892	12,070,012	11,603,756
GRIP – end of the year	13,484,399	13,050,615	12,373,892	12,331,453	12,070,012
Donations					
Balance due/refund (-)	44,186	-26,433		-72,490	-250,951
<b>Line 996 – Amended tax return</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Loss carrybacks requested in prior years to reduce taxable income</b>					
Taxation year end	<b>2021-12-31</b>	<b>2020-12-31</b>	<b>2019-12-31</b>	<b>2018-12-31</b>	<b>2017-12-31</b>
Taxable income before loss carrybacks	N/A	N/A			647,578
Non-capital losses	N/A	N/A			
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted taxable income after loss carrybacks	N/A	N/A			647,578
<b>Losses in the current year carried back to previous years to reduce taxable income (according to Schedule 4)</b>					
Taxation year end	<b>2021-12-31</b>	<b>2020-12-31</b>	<b>2019-12-31</b>	<b>2018-12-31</b>	<b>2017-12-31</b>
Adjusted taxable income before current year loss carrybacks*	N/A	461,797			N/A
Non-capital losses	N/A				N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted taxable income after loss carrybacks	N/A	461,797			N/A

\* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

**Loss carrybacks requested in prior years to reduce taxable dividends subject to Part IV tax**

Taxation year end	2021-12-31	2020-12-31	2019-12-31	2018-12-31	2017-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			
Farm losses	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A	N/A			

**Losses in the current year carried back to previous years to reduce taxable dividends subject to Part IV tax (according to Schedule 4)**

Taxation year end	2021-12-31	2020-12-31	2019-12-31	2018-12-31	2017-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before current-year loss carrybacks***	N/A				N/A
Non-capital losses	N/A				N/A
Farm losses	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A				N/A

\*\* The multiplication factor is 3 for dividends received before January 1, 2016, and 100 / 38 1/3 for dividends received after December 31, 2015.

\*\*\* The adjusted Part IV tax multiplied by the multiplication factor before current-year loss carrybacks takes into account loss carrybacks that were made in prior taxation years. This amount is multiplied by the multiplication factor to help you determine the loss amount that must be used to reduce Part IV tax payable to zero.

**Federal taxes**

Taxation year end	2021-12-31	2020-12-31	2019-12-31	2018-12-31	2017-12-31
Part I	90,372	69,269			97,137
Part IV					
Part III.1					
Other*					

\* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

**Credits against Part I tax**

Taxation year end	2021-12-31	2020-12-31	2019-12-31	2018-12-31	2017-12-31
Small business deduction					
M&P deduction					
Foreign tax credit					
Investment tax credit					
Abatement/other*	138,570	106,214		83,516	148,943

\* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

**Refunds/credits**

Taxation year end	2021-12-31	2020-12-31	2019-12-31	2018-12-31	2017-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments	128,917	155,350		173,528	422,559
Other*					

\* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

**Ontario**

<u>Taxation year end</u>	<u>2021-12-31</u>	<u>2020-12-31</u>	<u>2019-12-31</u>	<u>2018-12-31</u>	<u>2017-12-31</u>
Net income	602,478	461,797	478,096	363,112	647,578
Taxable income	602,478	461,797		363,112	647,578
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income	602,478	461,797		363,112	647,578
Surtax					
Income tax payable before deduction	69,285	53,107			74,471
Income tax deductions /credits					
Net income tax payable	69,285	53,107			74,471
Taxable capital					
Capital tax payable					
Total tax payable*	82,731	59,648		46,571	74,471
Instalments and refundable credits					
Balance due/refund**	82,731	59,648		46,571	74,471

\* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

\*\* For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.



1

## **OTHER TAXES**

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3 Kingston Hydro has included taxes other than income taxes or PILs in account  
4 6105.

5

6 These tax amounts are derived based on actual property tax assessments  
7 received for assets owned by Kingston Hydro.



1      **NON RECOVERABLE AND DISALLOWED EXPENSES**

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3      Kingston Hydro has not included any non-recoverable or disallowed expenses in  
4      this application.



Exhibit 6: Revenue Deficiency Or Sufficiency

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**Tab 3 (of 3): Other Revenue**

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## OTHER REVENUE

### Overview

In addition to revenues recovered through distribution rates, Kingston Hydro earns other revenue from specific service charges, late payment charges and other operating revenues.

CDM revenues are recorded in account 4375 which are offset by CDM expenses recorded in account 4380. These revenues and expenses are Non Rate-Regulated utility operations expenses.

Appendix 2-H details the Other Revenue for all required years.

### Variance Analysis

The year over year variances are detailed in Appendix 2-H.

Each variance above the materiality threshold of \$70,877 is highlighted in gray and an explanation for the variance is provided below with the related table.

### 2017 Actual vs. 2016 Actual Variance Analysis

Kingston Hydro began a multi-year project in 2016 with significant customer contributions which were recorded as deferred revenue in 2017. This resulted in an increase in amortization of deferred revenue beginning in 2017 with an increase of \$172,169 recorded in account 4245.





1 Kingston Hydro recorded a one-time debit of \$3,394,083 related to 1575 IFRS-  
 2 CGAAP Transitional PP&E Amounts and 1576 CGAAP Accounting Changes –  
 3 Rate of Return Component in account 4305 in 2016 as part of the 2015-0083  
 4 proceeding.

5  
 6 Kingston Hydro records Non Rate-Regulated utility operations CDM revenue  
 7 activities in account 4375 and offsetting Non Rate-Regulated utility operations  
 8 CDM expenses in account 4380.

9  
 10 In 2017 Kingston Hydro recorded \$122,000 of regulatory interest in account 4405  
 11 which should have been recorded in account 6035. Removing this amount  
 12 reduces the \$176,999 variance in account 4405 below the threshold.

13  
 14 Table 1 – 2017 vs. 2016 Actual Other Revenue

USoA #	USoA Description	Actual Year	Actual Year	Variance 2017 vs 2016
		2016	2017	
	<i>Reporting Basis</i>	<i>MIFRS</i>	<i>MIFRS</i>	
4082	Retail Service Revenues	-14,572	-13,192	1,380
4084	Service Transaction Requests (STR) Revenues	-2,803	-2,127	676
4210	Rent from Electric Property	-175,695	-171,648	4,047
4225	Late Payment Charges	-47,264	-74,806	-27,542
4235	Miscellaneous Service Revenues	-119,388	-137,339	-17,951
4245	Government and Other Assistance Directly Credited to Income	-14,571	-186,740	-172,169
4305	Regulatory Debits	3,394,083	0	-3,394,083
4325	Revenues from Merchandise, Jobbing, Etc	-4,990	-4,104	886
4355	Gain on Disposition of Utility and Other Property	0	0	0
4375	Revenues from Non-Utility	-680,012	-1,227,933	-547,921
4380	Expenses of Non-Utility Operations	429,063	1,229,827	800,764
4390	Miscellaneous Non-Operating Revenue	-81,007	-47,339	33,668
4405	Interest and Dividend Income	-28,414	-205,413	-176,999

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**2018 Actual vs. 2017 Actual Variance Analysis**

Kingston Hydro records Non Rate-Regulated utility operations CDM revenue activities in account 4375 and offsetting Non Rate-Regulated utility operations CDM expenses in account 4380.

As explained in previous year analysis, Kingston Hydro recorded regulatory interest in account 4405 in 2017 which should have been recorded in account 6035. Removing this amount bring the variance of \$100,289 in account 4405 below the threshold.

Table 2 – 2018 vs. 2017 Actual Other Revenue

USoA #	USoA Description	Actual Year	Actual Year	Variance 2018
		2017	2018	vs 2017
	<i>Reporting Basis</i>	<i>MIFRS</i>	<i>MIFRS</i>	
4082	Retail Service Revenues	-13,192	-11,688	1,504
4084	Service Transaction Requests (STR) Revenues	-2,127	-2,634	-507
4210	Rent from Electric Property	-171,648	-180,275	-8,627
4225	Late Payment Charges	-74,806	-76,495	-1,689
4235	Miscellaneous Service Revenues	-137,339	-128,302	9,037
4245	Government and Other Assistance Directly Credited to Income	-186,740	-127,877	58,863
4305	Regulatory Debits	0	0	0
4325	Revenues from Merchandise, Jobbing, Etc	-4,104	-2,385	1,719
4355	Gain on Disposition of Utility and Other Property	0	0	0
4375	Revenues from Non-Utility	-1,227,933	-1,118,609	109,324
4380	Expenses of Non-Utility Operations	1,229,827	1,109,828	-119,999
4390	Miscellaneous Non-Operating Revenue	-47,339	-69,473	-22,134
4405	Interest and Dividend Income	-205,413	-105,124	100,289

**2019 Actual vs. 2018 Actual Variance Analysis**

Kingston Hydro records Non Rate-Regulated utility operations CDM revenue activities in account 4375 and offsetting expenses in account 4380 which do not form part of regulatory income.



1 Table 3 – 2019 vs. 2018 Actual Other Revenue

USoA #	USoA Description	Actual Year	Actual Year	Variance 2019 vs 2018
		2018	2019	
	<i>Reporting Basis</i>	<i>MIFRS</i>	<i>MIFRS</i>	
4082	Retail Service Revenues	-11,688	-16,746	-5,058
4084	Service Transaction Requests (STR) Revenues	-2,634	-2,533	101
4210	Rent from Electric Property	-180,275	-175,754	4,521
4225	Late Payment Charges	-76,495	-44,385	32,110
4235	Miscellaneous Service Revenues	-128,302	-174,322	-46,020
4245	Government and Other Assistance Directly Credited to Income	-127,877	-133,876	-5,999
4305	Regulatory Debits	0	0	0
4325	Revenues from Merchandise, Jobbing, Etc	-2,385	-3,420	-1,035
4355	Gain on Disposition of Utility and Other Property	0	0	0
4375	Revenues from Non-Utility	-1,118,609	-1,490,197	-371,588
4380	Expenses of Non-Utility Operations	1,109,828	1,198,954	89,126
4390	Miscellaneous Non-Operating Revenue	-69,473	-51,773	17,700
4405	Interest and Dividend Income	-105,124	-106,888	-1,764

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4 **2020 Actual vs. 2019 Actual Variance Analysis**

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Kingston Hydro recorded an increase of \$66,000 in account 4225 due to an increase in Late Payment Charges in 2020 compared to 2019.

9 Kingston Hydro records Non Rate-Regulated utility operations CDM revenue activities in account 4375 and offsetting expenses in account 4380.

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Table 4 –2020 vs. 2019 Actual Other Revenue

USoA #	USoA Description	Actual Year	Actual Year	Variance 2020 vs 2019
		2019	2020	
	<i>Reporting Basis</i>	<i>MIFRS</i>	<i>MIFRS</i>	
4082	Retail Service Revenues	-16,746	-18,421	-1,675
4084	Service Transaction Requests (STR) Revenues	-2,533	-2,611	-77
4210	Rent from Electric Property	-175,754	-175,425	329
4225	Late Payment Charges	-44,385	-109,965	-65,580
4235	Miscellaneous Service Revenues	-174,322	-153,687	20,635
4245	Government and Other Assistance Directly Credited to Income	-133,876	-140,162	-6,286
4305	Regulatory Debits	0	0	0
4325	Revenues from Merchandise, Jobbing, Etc	-3,420	-4,466	-1,046
4355	Gain on Disposition of Utility and Other Property	0	0	0
4375	Revenues from Non-Utility	-1,490,197	-189,489	1,300,708
4380	Expenses of Non-Utility Operations	1,198,954	165,529	-1,033,425
4390	Miscellaneous Non-Operating Revenue	-51,773	-47,281	4,492
4405	Interest and Dividend Income	-106,888	-117,194	-10,306

13



1 **2021 Actual vs. 2020 Actual Variance Analysis**

2

3 Kingston Hydro recorded a decrease of \$15,000 in account 4225 due to a  
 4 reduction in Late Payment Charges in 2021 compared to 2020.

5

6 Kingston Hydro records Non Rate-Regulated utility operations CDM revenue  
 7 activities in account 4375 and offsetting expenses in account 4380.

8

9 Table 5 – 2021 vs. 2020 Actual Other Revenue

USoA #	USoA Description	Actual Year	Actual Year	Variance 2021 vs 2020
		2020	2021	
	<i>Reporting Basis</i>	<i>MIFRS</i>	<i>MIFRS</i>	
4082	Retail Service Revenues	-18,421	-17,881	539
4084	Service Transaction Requests (STR) Revenues	-2,611	-198	2,413
4210	Rent from Electric Property	-175,425	-175,425	0
4225	Late Payment Charges	-109,965	-94,568	15,397
4235	Miscellaneous Service Revenues	-153,687	-170,917	-17,230
4245	Government and Other Assistance Directly Credited to Income	-140,162	-144,913	-4,752
4305	Regulatory Debits	0	0	0
4325	Revenues from Merchandise, Jobbing, Etc	-4,466	724	5,189
4355	Gain on Disposition of Utility and Other Property	0	-14,206	-14,206
4375	Revenues from Non-Utility	-189,489	-109,746	79,743
4380	Expenses of Non-Utility Operations	165,529	69,243	-96,286
4390	Miscellaneous Non-Operating Revenue	-47,281	-62,596	-15,315
4405	Interest and Dividend Income	-117,194	-52,045	65,149

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11

12 **2022 Bridge Year vs. 2021 Actual Variance Analysis**

13

14 Kingston Hydro does not project any significant changes to Other Revenue  
 15 accounts.

16

17 Kingston Hydro projects revenues related to Late Payment Charges in account  
 18 4225 to return to pre-pandemic levels.



1 Kingston Hydro continues to project a decrease in Non Rate-Regulated utility  
 2 operations CDM revenue in account 4375 in 2022 over 2021 with related CDM  
 3 expenses recorded in account 4380 also decreasing.

4  
 5 Table 6– 2022 Bridge Year vs. 2021 Actual Other Revenue

USoA #	USoA Description	Actual Year	Actual Year	Variance 2022 Bridge vs 2021
		2021	2022 Bridge	
	<i>Reporting Basis</i>	<i>MIFRS</i>	<i>MIFRS</i>	
4082	Retail Service Revenues	-17,881	-17,683	199
4084	Service Transaction Requests (STR) Revenues	-198	-201	-3
4210	Rent from Electric Property	-175,425	-175,425	0
4225	Late Payment Charges	-94,568	-65,229	29,339
4235	Miscellaneous Service Revenues	-170,917	-167,888	3,029
4245	Government and Other Assistance Directly Credited to Income	-144,913	-150,770	-5,857
4305	Regulatory Debits	0	0	0
4325	Revenues from Merchandise, Jobbing, Etc	724	-3,875	-4,599
4355	Gain on Disposition of Utility and Other Property	-14,206	0	14,206
4375	Revenues from Non-Utility	-109,746	0	109,746
4380	Expenses of Non-Utility Operations	69,243	0	-69,243
4390	Miscellaneous Non-Operating Revenue	-62,596	-53,884	8,713
4405	Interest and Dividend Income	-52,045	-72,450	-20,405

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8 **2023 Test Year vs. 2022 Bridge Year Variance Analysis**

9

10 Kingston Hydro projects an increase in account 4210 Rent from Electric Property  
 11 as pole attachment charges increase from Kingston Hydro’s previously approved  
 12 rate of \$22.35 to \$34.76 as approved by OEB in December 2021, effective  
 13 January 1, 2022. The projected increase is \$97,000 commencing in 2023.



1 Table 7 – 2023 Test Year vs. 2023 Bridge Year Other Revenue

USoA #	USoA Description	Actual Year	Actual Year	Variance
		2022 Bridge	2023 Test Bridge	2023 Test vs 2022 Bridge
	<i>Reporting Basis</i>	<i>MIFRS</i>	<i>MIFRS</i>	
4082	Retail Service Revenues	-17,683	-17,683	0
4084	Service Transaction Requests (STR) Revenues	-201	-201	0
4210	Rent from Electric Property	-175,425	-272,831	-97,406
4225	Late Payment Charges	-65,229	-65,229	0
4235	Miscellaneous Service Revenues	-167,888	-167,888	0
4245	Government and Other Assistance Directly Credited to Income	-150,770	-157,853	-7,083
4305	Regulatory Debits	0	0	0
4325	Revenues from Merchandise, Jobbing, Etc	-3,875	-3,875	0
4355	Gain on Disposition of Utility and Other Property	0	0	0
4375	Revenues from Non-Utility	0	0	0
4380	Expenses of Non-Utility Operations	0	0	0
4390	Miscellaneous Non-Operating Revenue	-53,884	-53,884	0
4405	Interest and Dividend Income	-72,450	-72,450	0

2

3

4 Kingston Hydro is not proposing any new specific service charges.

5

6 Revenue related to microFIT is recorded as revenue offset in Account 4235 and  
 7 is not included as part of base revenue requirement.

8

9 Kingston Hydro does not have any shared services revenue or corporate cost  
 10 allocation revenue.

11

12 As stated in Exhibit 4, Kingston Hydro does benefit from services related to  
 13 corporate cost allocations with Utilities Kingston through the unique and  
 14 beneficial multi-utility model. These costs are included in Exhibit 4 as OM&A and  
 15 are not reflected in any accounts under Other Revenue or Other Expenses.

16

17 Kingston Hydro does have affiliate transaction revenue in the nature of interest  
 18 income on funds related to intercompany balances with the City of Kingston  
 19 which is recorded in account 4405 and detailed in Appendix 2-H.