

ELECTION ON DISPOSITION OF PROPERTY BY A TAXPAYER TO A CANADIAN PARTNERSHIP

- For use by a taxpayer and a Canadian partnership (where the taxpayer is a member of the partnership immediately after the transfer) to jointly elect under subsection 97(2).
- File one completed copy of the election and related schedules (if any) as follows:
 - by the taxpayer who is the sole transferor or, where the transferor is a partnership, by an authorized member of the partnership or, where the property being transferred is held in co-ownership, one copy by each co-owner;
 - a list containing the name, address, and social insurance number or Business Number of each transferor and of each transferee (including each member of a transferor partnership and each member of a partnership which is itself a member of either the transferor or the transferee partnership);
 - on or before the earlier date on which any party to the election has to file an income tax return for the taxation year in which the transaction occurred, taking into consideration any election under subsection 99(2) (due date);
 - at the tax centre where the transferor's income tax return is normally filed; and
 - separate from any tax returns. You may put it in the same envelope with a return, but do not insert it or attach it to the return.
- Sections, subsections, and paragraphs on this form are from the *Income Tax Act*.

Do not use this area

Name of taxpayer (transferor) (print) J. DOE				Social insurance number or Business Number 222222222	
Address Anyplace, Calgary, AB					Postal code T2T 0A0
Taxation year of taxpayer	from	Year Month Day 2008/01/01	to	Year Month Day 2008/12/31	Tax services office Calgary

Name of partnership (transferee) (print) ALTAGAS HOLDINGS LIMITED PARTNERSHIP NO. 1				Business Number 862766078	
Address 1700, 355 - 4th Avenue SW Calgary, AB Canada					Postal code T2P-0J1
Taxation year of partnership	from	Year Month Day 2008/01/01	to	Year Month Day 2008/12/31	Tax services office Calgary
Name of person to contact for more information J. DOE				Area code - Telephone number 403-111-1111	

Penalty for late-filed and amended elections

An election that is filed after its due date is subject to a late-filing penalty. Form T2059 can be filed within 3 years after its due date if an estimate of the penalty is paid at the time of filing. Form T2059 can also be amended or filed after the 3-year period, but in these situations, a written explanation of the reason for why the election is amended or late-filed must be attached for consideration by the Minister and an estimate of the applicable penalty must be paid at the time of submission.

Calculation of late-filing penalty:

Fair market value of property transferred	_____	
Less: agreed amount	_____	
Difference	_____	A
Amount A	_____ x 1/4 x 1% x N*	= _____ B
\$100 x N*	_____	= _____ C

Do not use this area

*N represents the sum of each month or each part of a month in the period from the due date to the actual filing date. Amount C cannot exceed \$8,000.

Late-filing penalty is the lesser of B and C above _____
 Make cheque or money order payable to the Receiver General. Specify "T2059" on the remittance and, to ensure proper credit, indicate the name and social insurance number of the taxpayer, or Business Number if a corporation.

Amount enclosed _____

Unpaid amounts, including late-filing penalties are subject to daily compound interest at a prescribed rate.

Information required

On the opposite page, list, describe and state the fair market value of properties transferred. The description and fair market value of the consideration received has to be shown opposite the related property transferred. Where the transferred property is a partnership interest, attach a schedule of the calculation of the adjusted cost base. If space on the form is insufficient, attach schedules giving similar details. You have to designate the order of disposition of each depreciable property. With this election, you do not have to file the following materials: schedules supporting this designation, documentation relating to the responses to the questions below, and a brief summary of the method of evaluating the fair market value of each property transferred. However, you have to keep them as Canada Revenue Agency may ask to see them at a later date.

1. Is there a written agreement relating to this transfer? yes no
2. Does a price adjustment clause involved apply to any of the properties? (See Interpretation Bulletin IT-169 for details.) yes no
3. Is the taxpayer a non-residents of Canada? yes no
4. Are any of the transferred properties capital properties? yes no
- If "yes,"
- a) have they been owned continuously since Valuation Day (V-Day)? yes no
- b) have they been acquired after V-Day in a transaction considered not to be at arm's length? yes no
- c) since V-Day, has the taxpayer or any person from whom shares were acquired in a non-arm's length transaction received any subsection 83(1) dividends for the transferred shares? (If yes, provide details of amounts and dates received, and attach a schedule.) yes no
5. Is the agreed amount of any of the transferred properties based on an estimate of the fair market value on V-Day? yes no
- a) If "yes," does a formal documented V-Day value report exist? yes no
6. Has an election under subsection 26(7) of the *Income Tax Application Rules* (Form T2076) been filed by or on behalf of the taxpayer? yes no

Where shares of the capital stock of a private corporation are included in the property disposed of, provide the following:

Name of corporation (print)	Business Number	Paid-up capital of shares transferred
NOT APPLICABLE		

Informative notes

- The rules for subsection 97(2) elections are complex. Essential information is contained in Interpretation Bulletins IT-169, IT-291 and IT-413.
- Complete all information areas and answer all questions. If this form is incomplete, the Canada Revenue Agency may consider the election invalid, and subsequent submissions may be subject to a late-filing penalty.
- If the agreed amount exceeds the adjusted cost base of the property in the election, you must report the difference as a capital gain, as income or a combination of both, whichever applies.

Particulars of property disposed of and consideration received

Date of sale or transfer of all properties listed below: Year Month Day
2008/01/10 Note: For properties sold or transferred on different dates use separate Form T2059.

Property disposed of				Agreed amount B	Amount to be reported B-A (if greater than 0, see note 4)	Consideration received	
Description	Elected amount limits*		Description			Fair market value	
	Fair market value	A					
Capital property excluding depreciable property	(Brief legal)		(see note 1)				
	100 Limited	1,085.020	500.000	500.000	0	21 Class B Limited	
	Partnership Units of Taylor NGL					Partnership Units of AltaGas	542.510
	Limited Partnership					Holding Partnership No. 1	
						24 Units of AltaGas Income Trust	542.510
Depreciable property	(Description and prescribed class)		(see note 2)				
Eligible capital property	(Kind)		(see note 3)				

Particulars of property disposed of and consideration received (continued)

Date of sale or transfer of all properties listed below: Year Month Day 2008/01/10 Note: For properties sold or transferred on different dates use separate Form T2059.

Property disposed of				Agreed amount B	Amount to be reported B-A (if greater than 0, see note 4)	Consideration received	
Description	Elected amount limits*		Description			Fair market value	
	Fair market value	A (cost amount)					
Inventory	(Kind)						
Resource property	(Brief legal)						
			nil				
			nil				
			nil				
			nil				
			nil				
			nil				

Notes

- Adjusted cost base (subject to adjustment per section 53.)
- The lesser of undepreciated capital cost of all property of the class and the cost of the property.
- The lesser of 4/3 x cumulative eligible capital and the cost of the property. (New rules will apply on subsequent dispositions of eligible capital property occurring after December 20, 2002).
- This amount is to be reported either as a capital gain or as income, whichever applies. Also, in the case of depreciable property and eligible capital property, a portion of the amount may have to be reported as a capital gain while another portion of the amount may have to be reported as income.

* See Interpretation Bulletin IT-291 for an explanation of the limits.

SAMPLE

Election and certification

The taxpayer and all members of the partnership hereby jointly elect under subsection 97(2) in respect of the property specified above and certify that the information given in this election, and in any documents attached, is true, correct, and complete to the best of their knowledge.

2008/01/10 Date Signature of transferor or authorized signing officer * and Signature of authorized officer of transferee *

* Attach a copy of the authorizing agreement.