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April 09, 2012

Kirsten Walli,  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27th Floor 2300 Yonge Street  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**Re: Board Staff Interrogatories  
2012 Electricity Distribution Rates  
Atikokan Hydro Inc.  
Board File No. EB-2011-0293**

Atikokan Hydro Inc. is pleased to submit its responses to Procedural Order 2 for Board Staff and VECC Interrogatories regarding EB-2011-0293 Cost of Service study.

The Application includes the following Exhibits:

Atikokan\_Hydro\_suppl\_IRs\_Bd\_staff\_20120409.pdf  
Atikokan\_CoS\_2012\_Rev\_Reqt\_Work\_Form\_BrdStf\_78.xls  
AtiAtikokan\_IRR\_Bdstaff\_CoS\_2012\_EDDVAR\_Continuity\_Schedule\_IRR\_2nd\_Roundf\_70.xls  
VECC\_IR\_Atkikokan\_20120409.pdf

These responses have been filed electronically with the Board today and two (2) paper copies will be delivered to the Board Secretary.

If you require further information please contact me.

Regards,

A handwritten signature in black ink, appearing to read "Wilf Thorburn".

**Wilf Thorburn  
CEO Secretary/Treasurer  
Atikokan Hydro Inc.**

**Supplementary Interrogatories from Board staff**

**59. Ref: VECC IR # 8 b) – Load Forecast.**

Please provide the load forecast for 2011 and 2012, with and without the CDM adjustment, that would have resulted from using the regression equation estimated in the response to VECC IR # 8 b) (i.e. omitting Intermediate customer consumption for all historical periods).

**Response:**

The load forecast for 2011 and 2012, with and without the CDM adjustment, that would have resulted from using the regression equation estimated in the response to VECC IR # 8 b) is provided below

	2011 Weather Normalized Bridge With CDM	2012 Weather Normalized Bridge With CDM	2011 Weather Normalized Bridge Without CDM	2012 Weather Normalized Bridge Without CDM
<b>ACTUAL AND PREDICTED KWH PURCHASES</b>				
Actual kWh Purchases				
Predicted kWh Purchases	24,780,072	25,003,092	24,780,072	25,003,092
% Difference of actual and predicted purchases				
<b>BILLING DETERMINANTS BY CLASS</b>				
Residential				
Customers	1,424	1,424	1,424	1,424
kWh	9,971,810	11,113,021	10,022,126	11,223,808
GS<50 kW				
Customers	233	235	233	235
kWh	4,939,057	6,246,087	4,963,979	6,301,280
GS>50 kW				
Customers	21	15	21	15
kWh	7,565,465	5,218,563	7,603,778	5,279,217
kW	20,111	13,872	20,212	14,033
Street Lighting				
Customers	623	623	623	623
kWh	476,215	466,493	478,665	471,859
kW	1,344	1,316	1,350	1,331
Total				
Customer/Connections	2,301	2,297	2,301	2,297
kWh	22,952,548	23,044,163	23,068,548	23,276,163
kW from applicable classes	21,454	15,188	21,563	15,364

**60. Ref: VECC IR # 15 – OM&A**

- a) The updated table 4-7 shows unaudited actuals for 2011 for operations expense of \$273,927. This is materially lower than the 2011 bridge year forecast of \$332,112. This is also below the historical actuals that range at or above \$300,000 for each of 2008 to 2010, and below the 2012 test year forecast of \$418,349. It appears that the decrease is related to lower than expected expenses in Account 5020 – Overhead Distribution Lines/Feeder Labour. Please provide an explanation for the reduced actuals for 2011.
- b) Given the lower unaudited actuals for 2011, please explain the higher level for the 2012 expense forecast of \$265,093 for Account 5020.
- c) The updated table 4-9 shows unaudited actuals for 2011 for Account 5315 of \$80,777. This is lower than the 2011 bridge year forecast of \$94,693 shown in E4/T2/S2/Table 4-9. Please provide an explanation for the reduced actuals for 2011.
- d) Based on the lower unaudited actuals for 2011, please explain the higher 2012 expense forecast of \$97,060 for Account 5315?
- e) In the updated Table 4-10, Atikokan shows an unaudited 2011 actual for Total General and Administrative Expenses of \$540,342, compared to the 2011 bridge year forecast of \$488,394 in E4/T2/S2/Table 4-10 in the original Application. The increase appears largely due to increases in Account 5610 – Management Salaries and Expenses (\$146,406 2011 unaudited actual versus \$119,084 bridge year forecast) and Account 5615 – General Admin Salaries and Expenses (\$179,362 2011 unaudited actual versus \$127,518 bridge year forecast), partially offset by reductions in Account 5630 – Outside Service Employed (\$106,674 2011 unaudited actual versus \$124,766 bridge year forecast) and Account 5665 – Miscellaneous Expense (\$21,509 2011 unaudited actual versus \$40,376 bridge year forecast). Please provide explanations for the variances of the 2011 unaudited actuals from the bridge year forecasts for these accounts and for Total General and Administrative Expenses.

**Response:**

- a) Atikokan unaudited actuals for 2011 are significantly lower than historical actuals. In 2011 Atikokan focused on the IFRS study and capital projects. Work on the Feeder 1 Line which typically is booked to operations became more involved and was capitalized.
- b) The higher level projected costs for 2012 are based on historical actuals and added an additional 2.5% for inflation. When completing the cost of service Atikokan anticipated its trend will be more like historical patterns. Atikokan still expects this trend to occur.
- c) The updated table 4-9 shows unaudited actuals for 2011 Account 5315 Customer Billing as being less. The explanation for this is a portion of the labour costs associated with Customer Billing were moved to Administrative costs for time spent on Cost of Service application.

- d) The higher level projected costs for 2012 were based on historical actuals and added an additional 2.5% inflation. Going forward Atikokan anticipates its trends will be more in line with historical patterns.
- e) Explanation for variance in account 5610 Management Salaries and Expenses, now include executive benefit costs as an expense and benefits were a driving factor.

General Administration 5615 variance includes benefits. Labour required to complete the Cost of Service was higher than anticipated staff putting in many hours of overtime.

Outside Services 5630 was less than anticipated as one of our monthly expenses ended. Going forward Atikokan anticipates the Outside Service cost to remain consistent with historical costs as a Security costs for Smart Meters will be incurred going forward 2012.

Miscellaneous Expenses 5665 were less than anticipated as Atikokan did less travel for training of its staff. Planning forward Atikokan anticipates continuing training levels to be consistent with historical levels. Many of Atikokan's training courses require travel.

**61. Ref: VECC IR # 16 b) and VECC IR #15 – Bad Debt Expense**

In its response to VECC IR # 16 b), Atikokan states that it has assumed a 2.5% increase in bad debt expense for 2012 versus the 2011 bridge year forecast.

However, in its response to VECC IR #15, in the updated Table 4-9, Atikokan shows an unaudited actual for 2011 for Account 5335 of \$3776, below its 2011 bridge year forecast of \$5311 shown in E4/T2/S2/Table 4-9 in its original Application.

- a) In light of its unaudited 2011 actuals, please explain why Atikokan has forecasted a Bad Debt Expense of \$5444 for 2012..
- b) Implementation of smart meters and TOU billing can provide more information on customers' consumption patterns and help to detect anomalous consumption patterns. This data may assist in early detection and addressing of potential bad debt situations. In light of this, please provide Atikokan's explanation for assuming a 2.5% increase in bad debt expense for 2012.

**Response:**

- a) As noted in Atikokan's response to VECC IR # 16 b), 'Atikokan forecasted the 2012 bad debt expense based on the 2011 bad debt expense and assumed a 2.5 % increase. 2011 bad debt was based on the bad debt expense average for the years 2008-2010. Therefore, as stated, the \$5,444 for 2012 assumes a 2.5% increase of the original \$5,311 forecasted for 2011 bad debt expense. Based on the current economic condition in Atikokan and the explanation provided in b) Atikokan believes a bad debt amount of \$5,444 is still a reasonable forecast for 2012.
- b) Atikokan assumed a 2.5% increase in bad debt expense from 2011 to 2012 and was assumed reasonable to reflect the cost of living including continuous rate increases that are passed onto the customers. The new guidelines within The Distribution Code have further put pressure on Atikokan and other utilities to be susceptible to increased bad debt expense. Also, although Atikokan may use the smart meter and TOU billing data to detect potential bad debt situations, Atikokan must continue to follow the timelines/guidelines provided in the Distribution Code. Continued monitoring will increase staff costs but will not put Atikokan in a position to intervene to avoid a write off. The customer can be monitored closer but the Distribution Code will not allow the shut off of the power any earlier

**62. Ref: Board staff IR # 5 – Specific Service Charges**

In its response to Board staff IR # 5, Atikokan documents that the \$32,896 under Specific Service Charges in 2009 is composed of \$5,322 for Specific Service Charges and \$26,152 for inventory sold.

- a) Please describe the inventory that was sold.
- b) Why were the proceeds from the sale of inventory documented under Specific Service Charges in 2009? Please identify where proceeds from the sale of inventory were recorded in other years.

**Response:**

- a) The inventory items were line materials, poles, cable and electrical components used in Atikokan's everyday maintenance and capital projects.
- b) The proceeds from the sale of inventory were documented under Specific Service Charges in 2009 in error. From 2010 to 2012, Recoverable expenses on inventory charged to customers have been included in account 4330 Costs and Expenses of Merchandising, Jobbing etc. However, prior to 2009, inventory proceeds were recorded in account 1104 - Accounts Receivable-Recoverable Work.

### 63. Ref: Board staff IR # 10 – Average Annual Consumption – Streetlighting

In response to part a) of Board staff IR # 10, Atikokan states that it is unaware of any initiatives that it has undertaken, or that it plans to undertake in 2012, to reduce the power consumption per streetlighting connection. However, in part b) of the interrogatory response, Atikokan has filed average annual consumption per customer class, including unaudited 2011 actuals. Atikokan shows an average annual consumption per streetlighting connection of 740 kWh for 2011 actual, lower than 2010 actual of 779 kWh and even lower than the bridge year forecast of 768 kWh.

- a) Are streetlights metered or unmetered services?
- b) If streetlights are unmetered, how has Atikokan calculated the “actual” average annual consumption per streetlighting connection in each year?
- c) If there are no initiatives to reduce consumption, such as switching to lower wattage or higher efficiency bulbs, then why would the average annual consumption per streetlight connection decrease over time, as shown in updated tables 3-10 and 3-11 in that interrogatory response?

#### Response:

- a) Streetlights are unmetered services.
- b) Atikokan has calculated the “actual” average annual consumption per street lighting connection in each year by providing the billing system with an input calculation sheet that is based on the total connected kW. The table below titled 2011 input data is the one used for 2011. On at least a yearly basis, or if there are any changes to the system during the year, the kw amount is adjusted, thus changing the total daily kWh.

2011 input data

[Create CSV File](#)

Account: 703477.703496

----- Date-Range -----		----- Lighting Time-----		Total Daily kWh	Demand kW
From	To	Off	On		
01-Jan-12	31-Jan-11	9:00 AM	6:00 PM	1,789.95	119.33
01-Feb-12	28-Feb-11	9:00 AM	6:00 PM	1,789.95	
01-Mar-12	31-Mar-11	9:00 AM	6:00 PM	1,789.95	
01-Apr-12	30-Apr-11	6:30 AM	8:30 PM	1,193.30	
01-May-12	31-May-11	6:30 AM	8:30 PM	1,193.30	
01-Jun-12	30-Jun-11	6:30 AM	8:30 PM	1,193.30	
01-Jul-12	31-Jul-11	4:30 AM	10:00 PM	775.65	
01-Aug-12	31-Aug-11	4:30 AM	10:00 PM	775.65	
01-Sep-11	30-Sep-11	4:30 AM	10:00 PM	775.65	
01-Oct-11	31-Oct-11	6:30 AM	7:30 PM	1,312.63	
01-Nov-11	30-Nov-11	6:30 AM	7:30 PM	1,312.63	
01-Dec-11	31-Dec-11	6:30 AM	7:30 PM	1,312.63	

2008 / 2010 input data

**Account**

: 421

Create CSV File

----- Date-Range ---- --		----- Lighting Time- ----		Total Daily kWh	Demand kW
From	To	Off	On		
01-Jan-09	31-Mar-09	8:00 AM	5:30 PM	1,734.64	119.63
01-Apr-09	30-Jun-09	6:00 AM	7:00 PM	1,315.93	
01-Jul-09	30-Sep-09	4:00 AM	9:00 PM	837.41	
01-Oct-09	31-Dec-09	6:00 AM	6:30 PM	1,375.75	

- c) The average annual consumption per streetlight connection decreased over time, as shown in updated tables 3-10 and 3-11 in interrogatory response to Board IR #10, because the 2010 table was based on 2008 information from the old billing system generated the data using different values. This resulted in the 2010 consumption actually being for 383 days instead of 365 days, or being overstated by 17,845 kWh. The forecast values would have considered 2010 consumption in the calculation. The 12 month tables with the times as noted above were put in place for 2011 billing and consumption calculation. There was a slight decrease in connected load by .3 kW due to some lights being removed or reduced in size.

**64. Ref: Board staff IRs # 18 and # 37 – Taxes/PILs and “going concern”**

In its response to Board staff IR # 18 a), Atikokan states that it anticipates having a loss for the 2011 bridge year. Atikokan's external auditors included a “going concern” note in the utility's 2010 Audited Financial Statements, and this was the subject of Board staff IR # 37.

Please provide further information on this expected loss for the 2011 year. Has this been confirmed yet in the preparation of tax filings and audited financial statements for 2011? If yes, please explain the reasons and drivers for this loss in 2011.

**Response:**

Atikokan Hydro has noted throughout the application and particularly in the deficiency descriptions that it faces significant challenges to operate at existing rate levels. The final Audited Financial Statements will not be available until very late this month.

Preliminary work on the audit shows a significantly greater loss than forecast in the current application [\$85,000].

The bridge year forecasts were based on data to June 30<sup>th</sup> and then doubled. Revenue in both residential and GS<50 kW is down in both fixed and volumetric service charges. Revenue for these classes as compared to 2010 would be down by \$102,992.

In terms of the going forward comment, Atikokan expects with losses greater than forecast that there will be a similar comment to indicate that Atikokan will need to increase its rates or decrease its costs to continue to be viable. Atikokan has reviewed its costs several times. Atikokan is faced with rising costs for many items including operating the smart meters, with same or fewer customers to bear those costs. As noted in Board IR, our average customer consumption is lower than the standard 800 kWh customer consumption.

The table below is derived from some of the working documents that will be used in the audited statements. These figures indicate that while costs were reduced by \$25,639; revenue was down by \$102,922 when comparing 2011 to 2010. Sale of energy and cost of energy as well as demand management programs are not included in this data because they net themselves to 0.

<b>Revenue</b>	<b>2011</b>	<b>2010</b>	<b>Difference</b>
Sale of energy	\$0	\$0	
Distribution revenue	1,076,223	1,146,051	-69,828
Rent from electric property	34,911	34,911	0
Late payment charges	4,809	6,024	-1,215
Miscellaneous revenue	105,748	133,910	-28,162
Demand management program revenue	0	0	0
Interest and dividend income	11,012	14,799	-3,787
<b>Total</b>	<b>1,232,703</b>	<b>1,335,695</b>	<b>-102,992</b>
<b>Expenses</b>			
Administration	514,543	450,248	64,295
Amortization	198,823	221,088	-22,265
Billing and collecting	156,366	130,786	25,580
Distribution expense operation	208,516	323,096	-114,580
Distribution expense maintenance	137,495	120,699	16,796
Energy cost	0	0	0
Interest on long-term debt	93,508	83,048	10,460
Other interest expense	4,760	10,685	-5,925
Demand management program expense	0	0	0
<b>Total</b>	<b>1,314,011</b>	<b>1,339,650</b>	<b>-25,639</b>

**65. Ref: Board staff IR # 19 – Long-term debt**

- a) Board staff IR # 19 a) requested that Atikokan file a copy of the loan between Atikokan with the Town of Atikokan, with a December 31, 2010 principal of \$1,282,096. This is in accordance with section 2.8.2 of Chapter 2 of the *Filing Requirements for Transmission and Distribution Applications*, issued June 22, 2011. A copy of the executed legal agreement is required to understand the terms and conditions so as to assess how the instrument should be treated in accordance with policy guidelines in the *Report of the Board on the Cost of Capital for Ontario's Regulated Utilities*, issued December 11, 2009. Atikokan has filed a copy of a letter from the CAO/Treasurer of the Town of Atikokan. The letter does not contain all details of the loan. Please file a copy of the executed loan between Atikokan and the Town of Atikokan, as requested in Board staff IR # 19 a).
- b) In the copy of the loan agreement between Atikokan and Atikokan Enercom filed in response Board staff IR # 19 b), it is stated that the loan "is for interim financing of capital projects carried forward from last year [i.e. 2008] and smart meters. ... The loan will be repaid with interest at the above noted rate upon completion of the above items." Atikokan's evidence notes that there is no fixed maturity to the note. With Atikokan having completed its smart meter deployment and seeking disposition of the balances of Accounts 1555 and 1556 in this Application, please provide Atikokan's estimate of the repayment schedule for this note.

**Response:**

- a) The legal agreement between the Town of Atikokan and Atikokan Hydro is in the form of bylaw 32-2000 and two amending by-laws. They are by-law 20-06 and 14-09. All data including the schedules from the resumption of payment is attached as appendix "A." The attachment includes balance confirmations from the Treasurer of the Town of Atikokan, as well as by-law 14-09 that set the resumption of payments to the Town. Page 5 is by-law 14-09 which set the payment process in motion again. The opening balance and payment schedule start on page 6. Page 18 is by-law 20-06 which confirmed that Atikokan Hydro would not accrue interest on the suspended loan until it was in a position to restart the payments. The original by-law in its entirety starts on page 19 of the appendix.
- b) Atikokan Hydro estimates that the smart meter loan will be repaid over the next 10 years.

**66. Ref: Board staff IR #38 – Smart Meter OM&A costs.**

In its response to Board staff IR # 39, Atikokan documented updated OM&A expenses for the years 2009, 2010 and 2011. Board staff has prepared the following summary table:

Year	Application	Board staff IR # 39	Difference
2009	\$48,942	\$61,874	\$12,932
2010	\$30,741	\$84,080	\$53,339
2011	\$69,453	\$78,253	\$8,800
Total	\$149,136	\$224,207	\$75,071

It appears that Atikokan has increased its deferred OM&A expenses that it seeks recovery for, by 50%.

- a) Please confirm the above statement.
- b) Please reconcile the revised numbers against what Atikokan has reported in Account 1556.
- c) If these amounts differ from the account balances that were previously reviewed as part of the preparation of Audited Financial Statements for 2009 and 2010, please explain why these amounts are only coming to light now.
- d) Where were these expenses previously recorded in the Uniform System of Accounts?

**Response:**

- a) The above statement is confirmed
- b) Reconciliation

Driver	2009 Application	2009 Adjustment	2009 1556	2009 15550201
	48,942.01			
<b>2.1 AMCD</b>				
Operations				
Combined CIS & AMI		41,431.80		
<b>2.3 AMCC</b>				
Maintenance				
Software [Elster software mtce]		16,836.15		
<b>2.4 WAN</b>				
WAN OP		1,800.00		
<b>2.5 Other AMI OM&amp;A costs min fun</b>				
Customer communications		1,805.76		
Total		<b>61,873.71</b>		
Amount in account 1556 at Dec 31. 2009 from records used by auditor			\$7,351.53	
Smart meter O M & A amounts transferred to account 1550201 Smart meter start up costs Dec 31, 2009				68,983.57
Amount to be considered as 1556 disposal				61,632.04

- i. The table above reconciles the amount adjusted as a result of Board IR #39. The \$61,873.71 was derived by verifying invoice by invoice. \$68,983.57 was entered into account 15550201 instead of account 1556 in error. Once the carrying charge amount is removed from the start-up costs entry, account 1556 would have been \$61,632.00. Amounts in the 155502 series do not affect amounts in the 1555 account used to record the capital asset amounts.

Driver	2010 Application	2010 Adjustment	2010 1556	2010 5630 / 5310
	30,740.75			
<b>2.1 AMCD</b>				
Operations				
Combined CS & AMI		55,026.82	28,879.48	23,576.00
ODS for VEE		3,470.83		
<b>2.3 AMCC</b>				18,623.31
Maintenance				
Software [Elster software mtce]		7,540.23	1,861.27	7,540.23
<b>2.4 WAN</b>				
WAN OP		3,600.00		3,600.00
<b>2.5 Other Minimum Functionality</b>				
business process changes		14,442.19		
		<b>84,080.07</b>	30,740.75	53,339.54

- ii. The above table indicates the amounts recorded in account 1556 in 2010. Initially amounts were booked to 1555020x and some were move to 1556 as they should have been, however some were inadvertently moved to accounts 5630 and 5310. The response to Board staff IR 38 brought to light that these amounts should have been in account 1556. The 2010 adjustment column was arrived at by grouping expenses invoice by invoice to match the Board smart meter categories [2.1, 2.2, etc.]. The journal entries were made as grouped items, thus there may be slight discrepancies.

Driver	2011 Application	2011 Adjustment	2011 1556
	69,453.44		
<b>2.1 AMCD</b>			
Operations			
Combined CS & AMI		51,919.05	25,689.97
ODS for VEE		4,228.21	
<b>2.3 AMCC</b>			
Maintenance			23,684.24
Software [Elster software mtce]		7,198.68	
<b>2.4 WAN</b>			
WAN OP		3,600.00	
<b>2.5 Other Minimum Functionality</b>			
Security audit		11,307.41	32,720.61
		<u>78,253.35</u>	<u>82,094.82</u>

- iii. The amounts shown in the above table are the unaudited amounts in account 1556 for 2011. Again, the amounts noted in the response to IR 39 were compiled by going invoice to invoice and attempting to align the costs with the board smart meter categories. There is an additional maintenance item that has been added to the 1556 account since the 2011 adjustment calculation in the amount of \$3,418.
- c) These expenses are coming to light now as a result of Board IR #39 a) “a disaggregation of expenses by major categories.” The resulting investigation revealed some inconsistencies in the reporting of some of the expenses, and revealed that some of the capital costs should be revised as well.
- d) These expenses were previously recorded in other accounts as the full understanding of the appropriateness of the accounts came to light after studying board guidelines in the preparation of IR # 39. It seemed reasonable to be consistent to ensure that all costs from the audited financial statements were aligned with 1556 for disposal.

**67. Ref: Board staff IR # 45 – Rate Base under CGAAP and MIFRS**

- a) Please confirm the Summary of Rate Base for 2012 balances provided in the response to Board staff IR # 45 part a) supersedes the balances shown in column “2012 Test Year” of Table 2-1 Summary of Rate Base on Exhibit 2/Tab 1/Schedule 1/Page 1. Please explain the changes made.
- b) Please confirm the 2012 Fixed Asset Continuity Schedules provided in the response to Board staff IR # 45 part f) supersedes Table 2-17 in Exhibit 2/Tab 2/Schedule 1/Page 10. Please explain the changes made.
- c) Under the heading of the table provided in the response to part f) of this interrogatory, the following note is provided: “NTD [Note to Draft]: Will need to be updated with final run”. Please explain what this note means. Is the table provided in the response accurate and final? If not, please update.

**Response:**

- a) Atikokan confirms the Summary of Rate Base for 2012 balances provided in the response to Board staff IR # 45 part a) supersedes the balances shown in column “2012 Test Year” of Table 2-1 Summary of Rate Base on Exhibit 2/Tab 1/Schedule 1/Page 1. The following provides the explanation for the changes

	2012 Test Year
Table 2-1 Summary of Rate Base on Exhibit 2/Tab 1/Schedule 1/Page 1.	\$2,913,786
Update 2011 from CGAAP to MIFRS – impact on depreciation.	\$34,915
Working capital impact of additional OMERS expense (i.e. 15% of \$45,229) – see Board Staff IRR#36.	\$6,784
Impact of changes to smart meter capital as per Board staff IRR#38. As a result of using the Board's smart meter model, Atikokan reviewed the smart meter costs and determine capital should move from the computer hardware asset class to the meter asset class. In additions, it was determined that in the original Application the 2012 continuity schedules assumed 2011 smart meter opening balance values in the 2012 opening balances instead of 2012 values. These corrections increased the rate base by \$86,140.	\$86,140
Board staff IR # 45 part a).	\$3,041,625

- b) Atikokan confirms the 2012 Fixed Asset Continuity Schedules provided in the response to Board staff IR # 45 part f) supersedes Table 2-17 in Exhibit 2/Tab 2/Schedule 1/Page 10.

The change in the accumulated depreciation section of the revised 2012 Fixed Asset Continuity Schedule, specifically for accounts 1820, 1830 and 1850, reflects the impact on depreciation and the resulting accumulated depreciation from moving 2011 from a CGAAP to a MIFRS basis.

The change in accounts 1860 and 1920 reflect the change to smart meters as outlined in the response to a).

In addition, the revised 2012 Fixed Asset Continuity Schedule is providing the impact of net depreciation resulting from the PP&E adjustment.

- c) The "NTD [Note to Draft]: Will need to be updated with final run" was included in the draft version of responses to ensure the 2012 Fixed Asset Continuity Schedule was from the final run of the revenue requirement model that reflected all the changes outlined in response to Board staff IRR#58. The note was inadvertently not deleted in the final version filed but the table provided in the response is accurate and final.

**68. Ref: Board staff IR # 47 – Capitalization Policy under CGAAP and MIFRS**

- a) Please provide supporting calculation for Atikokan's estimate of a revenue requirement impact of \$132,500 for 2012, as mentioned in the response to part b) of Board staff IR # 47.
- b) For parts b) and c) of Board staff IR # 47, Atikokan was requested to provide the impacts for both the 2011 Bridge and 2012 Test Years. In its response, Atikokan only provided information for the 2012 Test Year. Please provide the impact on the 2011 revenue requirement of the change in capitalization policy and the transition to MIFRS, as requested in the Board staff IR # 47 parts b) and c). Please provide the supporting calculations for each part.

**Response:**

- a) In preparing the response to this interrogatory Atikokan realized that the estimate of a revenue requirement impact of \$132,500 for 2012 reflected a double count on the savings from a reduction in capital for 2011 and 2012. In addition, the half year rule was not applied to the 2011 capital savings. The 2012 impact has been corrected and is shown along with the 2011 impact in the following table which provides the calculation for the revenue impact.

Return Rate on Rate Base	6.49%	
Return on Equity	9.58%	
% Equity	40%	
Equity Component of Return on Rate Base	3.83%	
CCA Rate	8.00%	
Tax Rate	15.50%	
Capital	\$169,035	\$169,035
	2011	2012
Opening	\$0	\$167,157
Additions	\$169,035	\$169,035
Amortization - over 45 years with half year rule	\$1,878	\$5,635
Closing	\$167,157	\$330,557
Average	\$83,578	\$248,857
Return	\$5,424	\$16,149
Amortization	\$1,878	\$5,635
PILs	(\$308)	(\$839)
Total	\$6,994	\$20,945
Net Income	\$3,203	\$9,536
Amortization	\$1,878	\$5,635
Capital Cost Allowance	\$6,761	\$19,743
Regulatory Taxable Income	(\$1,681)	(\$4,573)
PILs with Gross-up	(\$308)	(\$839)
OM&A increase	\$169,035	\$169,035
Impact of reduced capital	(\$6,994)	(\$20,945)
Revenue Requirement Impact	\$162,041	\$148,090

b) See response to a).

**69. Ref: Board staff IR # 27 and page 6 of Revised Evidence for Accounts 1592 filed on December 14, 2011, Chapter 2 of Filing Requirements for Transmission and Distribution Applications, issued June 22, 2011 – Account 1592**

- a) Please confirm that the balance of \$15,431 is a credit balance and is refundable to ratepayers.
- b) Would Atikokan experience any cash flow problems in refunding the amount to ratepayers over one year?

**Response:**

- a) Atikokan confirms that the balance of \$15,431 is a credit balance but it is Atikokan's understanding that only 50% of this balance is refundable to ratepayers as per the Board Decision on Atikokan's rates effective May 1, 2010 (EB-2009-0212).
- b) Atikokan would not experience any cash flow problems in refunding \$7,716 to ratepayers over one year.

**70. Ref: Board staff IR # 31 – Deferral and Variance Account Continuity Schedule**

- a) Atikokan entered \$65,809 in cell BE 31 and \$54,701 in cell BM 31. However, Board staff observes that these amounts don't represent the residual balance in Account 1595 at the end of the disposition period (refer to footnote 10 of the continuity schedule).. Please explain Atikokan's reasons for these entries. In the alternative, please revise the Deferral and Variance Account Continuity Schedule and resubmit in working Microsoft Excel format.
- b) Please provide explanation to the variances in cell BX 31 for Account 1595 as a result of changes from question a) above.

**Response:**

- a) In reviewing this question along with the updated Deferral and Variance Account Continuity Schedule provided in response to Board staff IR#31 it appears the values in line 31 should have been included in line 84. It is Atikokan's understanding that this adjustment should be made to be more in line with footnote 10 of the continuity schedule since the values in line 31 do not represent the residual balance in Account 1595 at the end of the disposition period. Atikokan has made this adjustment and has provided a revised Deferral and Variance Account Continuity Schedule in working Microsoft Excel format.
- b) The variance now shown in cell BX 84 for Account 1595 as a result of changes from question a) is zero

**71. Ref: Board staff IRs # 31 and 34, Exhibit 9/Tab 1/Schedule 1/pages 3-4 –  
Account 1588**

On pages 3 and 4 of E9/T1/S1, Atikokan states:

The variance between RRR 2.1.7 Trial Balance and the Continuity Statement above is (\$15,115). Adjustments were made to RPP and non-RPP balances as a result of the OEB [sic] 1598 Audit completed in 2010.

In response to Board staff IR # 34, Atikokan confirmed that the audit was conducted by the Ministry of Finance, and that the adjustments have been reviewed by Atikokan's external auditors.

In the updated continuity schedule filed in response to Board staff IR # 31, the variance for Account 1588 Power (excluding GA) is \$(1,305) in cell BX 28 filed in response to Board staff IR # 31. However, Board staff has not been able to identify any adjustment in an amount of (\$15,115) in 2010 adjustment columns (BF to BI) of the updated continuity schedule. Please identify in which cell the adjustment of \$(15,115) has been accounted for in the updated continuity schedule.

**Response:**

As a result of the preparing a more accurate 2012 EDDVAR Continuity Statement in response to Board staff IR # 31, the variance of (\$15,115) was revised to (\$1,305). The revised 2012 Continuity Statement reflects information from 2005 onward which provides the correct account balance. The 2012 EDDVAR Continuity Statement filed with the application was incorrect. As a result, the variance of (\$15,115) was simply incorrect but it has been corrected through the interrogatory process.

**72. Ref: Board staff IR # 36 – Account 1508**

- a) Please confirm that the amounts recorded in 1508 sub-account OEB cost assessment from 2006 to 2009 and sub-account OMERS from 2006 to 2011 were not recovered in approved rates.
- b) Please confirm that the 2006 entries for the sub-accounts of Account 1508 referenced in a) do not duplicate operating expenses for OEB cost assessments in Account 5655 and OMERS pension cost contributions in Account 5645 as factored into Atikokan's approved revenue requirement and recovered in its 2006 EDR distribution rates approved in its RP-2005-0020/EB-2005-0335 application in that year.
- c) Please confirm that the 2008 entries for the sub-accounts of Account 1508 referenced in a) do not duplicate operating expenses for OEB cost assessments in Account 5655 and OMERS pension cost contributions in Account 5645 factored into Atikokan's approved revenue requirement and recovered in distribution rates in that year.
- d) If Atikokan has been recording these OEB cost assessments and OMERS pension cost contributions from 2008 to 2011 solely in Account 1508, please explain why Atikokan did not record these in operating expense accounts 5655 and 5645.

**Response**

- a) Atikokan confirms that the amounts recorded in 1508 sub-account OEB cost assessment from 2006 to 2009 and sub-account OMERS from 2006 to 2011 were not recovered in approved rates.
- b) Atikokan confirms that the 2006 entries for the sub-accounts of Account 1508 referenced in a) do not duplicate operating expenses for OEB cost assessments in Account 5655 and OMERS pension cost contributions in Account 5645 as factored into Atikokan's approved revenue requirement and recovered in its 2006 EDR distribution rates approved in its RP-2005-0020/EB-2005-0335 application in that year.
- c) Atikokan confirms that the 2008 entries for the sub-accounts of Account 1508 referenced in a) do not duplicate operating expenses for OEB cost assessments in Account 5655 and OMERS pension cost contributions in Account 5645 factored into Atikokan's approved revenue requirement and recovered in distribution rates in that year.
- d) Atikokan has been recording the OEB cost assessments and OMERS pension cost contributions from 2008 to 2011 solely in Account 1508 since these costs were not included in account 5655 and 5645 as part of the OM&A costs assumed in Atikokan's 2008 approved rates.

**73. Ref: Board staff IRs #37 – 2010 Audited Financial Statements**

What are the reasons for reducing the overdraft protection back to \$250,000 at the end of Q3 2012, as discussed in the response to Board staff IR # 37 a)?

**Response:**

The reason for reducing the overdraft protection back to \$250,000 at the end of Q3 2012, as discussed in the response to Board staff IR # 37 a) reflects Atikokan's expectation that 2012 rates will be effective sometime before Q3 2012 and the additional revenue from the 2012 rates will reduce the need for overdraft protection.

**74. Ref: Board staff IRs #50 a) & b)**

- a) Board staff noted that the calculation of return on rate base is to multiply the PP&E deferral account balance (\$34,002) by the rate of return (6.49%). Please provide the supporting calculation of the return on rate base of \$1,931 on page 114 of the IR responses. If the amount is incorrect, please update the table.
- b) Board staff noted that on page 103 of the IR responses, Atikokan recorded both the amortization and return on rate base as a credit to the amortization of 2012. Board staff also noted that on page 126 of the IR responses, Atikokan recorded both the amortization and return on rate base as a credit to Amortization expense and no impact to OM&A. Please update the impact to Amortization, OM&A and revenue requirement on page 126 of the IR responses related to the following adjustments for the PP&E deferral account:
  - (1) A downward adjusting amount for the amortization to the 2012 depreciation expense, which would result in a reduction to Atikokan's 2012 total distribution expenses
  - (2) A credit amount for the return on rate base as a refund to customers, which would be shown as a separate reduction line item to the 2012 revenue requirement.

**Response:**

- a) Consistent with the calculation of average rate base for 2012, the calculation of return on rate base for the PP&E deferral account is the average of the opening and closing balance of the PP&E account in 2012 times the rate of return on rate base. The calculation is  $(34,002 + 25,501) / 2$  times 6.49% or \$1,931.
- b) The requested information will be provided in response to Board staff IR 78 b

**75. Ref: Board staff IRs #53 - One-Time Administrative Costs of Transition to IFRS**

In its response to Board staff IR # 53, Atikokan states that it is using Account 1575 to record one-time administrative costs of the Transition to IFRS. Board staff observes that Account 1575 is not a Board authorized account. Please explain Atikokan's use of Account 1575, and why One-Time Administrative Costs of Transition of IFRS should not be recorded in the Account 1508 IFRS sub-account that was established by the Board's IFRS Report. As necessary, please update the Deferral and Variance Account Continuity Schedule to reflect the balances recorded as of December 31, 2010.

**Response:**

Atikokan misinterpreted the purpose of account 1575 IFRS-CGAAP Transitional PP&E Amounts. The One-Time Administrative Costs of Transition of IFRS should be recorded in the Account 1508 IFRS sub-account. As of December 31, 2010, Atikokan had not incurred any One-Time Administrative Costs for the Transition to IFRS. As a result, it is Atikokan's understanding that no change needs to be made to the Deferral and Variance Account Continuity Schedule in this regard.

**76. Ref: Board staff IR # 54 – Account 1562**

***Preamble:***

In its 2001 rates application, Atikokan requested delayed implementation of its unbundled rates until the date that subsection 26(1) of the *Electricity Act, 1998*, S.O. 1998, c.15, (Schedule A) came into force.<sup>1</sup> That date was May 1, 2002. The Board approved the request:

By letter dated November 15, 2001, Atikokan Hydro proposed to implement the new unbundled rates on the date that ss 26(1) of the *Electricity Act, 1998*, S.O. 1998, c.15, (Schedule A) comes into force. The Board accepts the Applicant's proposal.

The following excerpts were taken from the Manager's Summary that formed part of the 2002 application to bill unbundled rates for the first time effective May 1, 2002.<sup>2</sup>

- 1.4 The Company recognizes the possibility of negative customer reaction as a result of the new rate adjustments identified through the RAM. For the purposes of this submission, the Company has determined that "significant bill impacts" means those customers who experience a bill increase greater than \$20.00 or greater than 10%. This is discussed further in section three below. The Company intends to mitigate significant rate impacts through consumer education and its customer care program.

...

2.1 Sheet 1 - 2001 Approved Rate Schedule

The Company is making this filing based on audited 2000 financial data and the 2001 RUD Model Rates with MARR prior to market opening. The approved OEB rates for the company were not used as they were "After Market Opening" rates. The Company intends to unbundle rates on May 1, 2002, being market opening.

In its PILs continuity schedule in the current Application, Atikokan recorded the entitlement to the PILs proxies for the fourth quarter 2001 and the whole year 2002 starting October 1, 2001 and January 1, 2002 respectively. This treatment creates receivables from its ratepayers before the effective date of the rate adjustment on May 1, 2002.

Board staff's interrogatory #54 posed the following questions:

- a) What regulatory reference supports starting the PILs entitlements earlier than May 1, 2002? Please explain.

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<sup>1</sup> RP-2000-0261/ EB-2000-0561/ EB-2001-0232, Decision with Reasons and Order, page 3.

<sup>2</sup> RP-2002-0028/ EB-2002-0037, Manager's Summary, March 28, 2002, page 1.

- b) Did Atikokan Hydro consider that its entitlement to the 2001 and 2002 PILs proxy should not begin before May 1, 2002 given the delay caused by filing a revised application?

Atikokan did not reply to the two questions posed. Instead, Atikokan reduced the calculation of the recoveries from customers, which increased the amount receivable from ratepayers. Atikokan made the following comments:

In the Board's Decision RP-2002-0028; EB-2002-0037 for Atikokan Hydro's 2002 rates the Board approved the 2001 deferred Payments in Lieu of Taxes (PILs) of \$7,668 and the 2002 Payments in Lieu of Taxes (PILs) of \$32,754. However, Atikokan Hydro's rates did not become effective until May 1, 2002 and this was not reflected in the 1562 PILs Continuity Schedule filed originally filed. This oversight has been corrected and the revised 1562 PILs Continuity Schedule is provided below assuming collection of the approved PILs begins May 1, 2002.<sup>3</sup>

APH Article 220 was revised in December 20, 2001 and provided minimum guidance for the use of account 1562. FAQ April 2003 provided examples of the accounting entries related to account 1562 deferred PILs. The year selected for the example was the twelve month complete year of 2003. FAQ April 2003 did not deal with the complexities associated with periods of less than twelve months.

- a) Please answer the two questions posed above which were originally submitted as Board staff's interrogatory #54; and  
b) Please explain why Atikokan believes that the ratepayers should be responsible for the PILs proxies before May 1, 2002, the date that Atikokan voluntarily requested the Board to approve for implementation of the unbundled rates which included PILs.

**Response:**

- a) The OEB has set precedent, through the combined proceeding EB-2008-0381, that the entitlement commences with the start of taxation (October 1, 2001) as opposed to the effective date of distribution rates including PILs. Atikokan believes that this precedent should apply equally to all LDCs .

The three combined proceeding applicants (EnWin, Halton Hills and Barrie) started recording entitlements on October 1, 2001 (for 2001 PILS) and January 1, 2002 (for 2002 PILS). Atikokan could not locate the 2002 rate decisions for these three applicants, which approved PILs in rates, but suspects that rates were effective March 1, 2002 not October 1, 2001 or January 1, 2002. This establishes the principle that entitlement commences with taxation and not with rate approval.

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<sup>3</sup> Atikokan Hydro\_Cos\_BdStf\_IRs\_20120302.pdf, page 119.

- b) Atikokan did not consider that its entitlement to the 2001 and 2002 PILs proxy should not begin before May 1, 2002 given the delay caused by filing a revised application
- b2) The 1562 Deferred PILs account was created to keep LDCs “whole”, as defined by the rules set out in the combined proceeding. The combined proceeding has confirmed that approved PILs in rates is to be used as the entitlement side of the variance account, the PILs recovered from customers to be the recovery side of the variance account and SIMPILS models to make appropriate adjustments between customers and the LDC.

To be consistent with these principles, Atikokan should be entitled to the full amount of PILs previously approved in rates. To approve a 1562 Deferred PILs balance on any other basis would effectively be retroactive rate making (the Board Staff submission would effectively reduce the amount of PILs included in rates that the Board has already approved).

**77. Ref: Board staff IRs # 54 and 55 – Account 1562**

The sum of the 2001 PILs proxy of \$7,668 and the 2002 PILs proxy of \$32,754 is \$40,422. The rates were determined based on a twelve month rate year which implies a monthly PILs proxy amount of \$3,369 ( $\$40,422 / 12$ ) for the period from May 1, 2002 to March 31, 2004, or 23 months. Using this monthly entitlement, the total PILs for the period shown is \$77,487 ( $\$3,369 \times 23$ ).

Recoveries of \$75,245 for the same period of May 1, 2002 to March 31, 2004 can be found in Atikokan's PILs reconciliation schedule.<sup>4</sup>

- a) Does Atikokan consider Board staff's PILs proxy entitlement calculation to reflect fairly Atikokan's application for delayed implementation? If Atikokan disagrees, please explain the rationale for selecting a different amount; and
- b) Would this approach proposed by Board staff to determine the PILs proxy entitlement for the period from May 1, 2002 be fair to both the utility and its ratepayers? Please explain and include a discussion of the notion of potential "harm" to Atikokan.

**Response:**

- a) If the Board decided the PILs proxy entitlement calculation should reflect Atikokan's application for delayed implementation then Atikokan would agree with Board staff's PILs proxy entitlement calculation reflecting the delay.
- b) Based on principle, Atikokan position on the PILs proxy entitlement is outlined in response to Board Staff IR#76. However, if Board staff's approach was adopted there would be no potential "harm" to Atikokan

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<sup>4</sup> Atikokan\_PILs\_Reconciliation\_2001-2012\_20111214.XLS

**78. Ref: Board staff IRs # 57 and 58 – Updating of Evidence**

- a) Upon completing all interrogatories from Board staff and intervenors, please provide an updated RRWF with any corrections or adjustments that Atikokan wishes to make to the amounts in the previous version of the RRWF included in the middle column. Board staff suggests that Atikokan may also wish to take into consideration the updated Cost of Capital parameters for rates effective May 1, 2012, as documented in the Board's letter of March 2, 2012. In that letter, the Board documented the following parameters:

Return on Equity: 9.12%  
Long-term Debt Rate: 4.41%  
Short-term Debt Rate: 2.08%

- b) The column for the Original Application should remain unchanged.  
Please provide an update to Board staff IR # 58 reflecting all changes in Atikokan's proposal for 2012 rates resulting from the changes to the two rounds of interrogatories.

**Response:**

- a) Atikokan has provided an updated RRWF to take into consideration the updated Cost of Capital parameters for rates effective May 1, 2012, as documented in the Board's letter of March 2, 2012.
- b) In the table below Atikokan has updated the response to Board staff IR # 58 to reflect the updated Cost of Capital parameters for rates effective May 1, 2012. This is the only change being made as a result of the second round of interrogatories.

Reference	Item	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance	Amortization	PP&E Return Adjustment	PILS	OM&A	Service Revenue Requirement	Revenue Offsets	Base Revenue Requirement	Gross Revenue Deficiency
	<b>Submission</b>	<b>189,083</b>	<b>6.49%</b>	<b>2,913,786</b>	<b>3,370,408</b>	<b>505,561</b>	<b>197,456</b>	<b>0</b>	<b>17,914</b>	<b>1,175,151</b>	<b>1,579,603</b>	<b>125,235</b>	<b>1,454,368</b>	<b>364,011</b>
OEB #45	Update 2011 to MIFRS	191,348	6.49%	2,948,701	3,370,408	505,561	195,630	0	17,824	1,175,151	1,579,954	125,235	1,454,719	364,362
	Change	2,266	0.00%	34,914	0	0	(1,825)	0	(89)	0	351	0	351	351
OEB #50	Update for PPE	191,348	6.49%	2,948,701	3,370,408	505,561	187,130	(1,931)	17,824	1,175,151	1,569,523	125,235	1,444,288	353,931
	Change	0	0.00%	0	0	0	(8,500)	(1,931)	(0)	0	(10,431)	0	(10,431)	(10,431)
OEB #36	Update for OMERS	191,789	6.49%	2,955,485	3,415,637	512,346	187,130	(1,931)	17,872	1,220,380	1,615,240	125,235	1,490,005	399,648
	Change	440	0.00%	6,784	45,229	6,784	0	0	48	45,229	45,717	0	45,717	45,717
OEB #38	Update for Smart Meter Costs	197,378	6.49%	3,041,625	3,415,637	512,346	168,793	(1,931)	15,114	1,220,380	1,599,735	125,235	1,474,500	384,143
	Change	5,590	0.00%	86,140	0	0	(18,337)	0	(2,758)	0	(15,505)	0	(15,505)	(15,505)
OEB #78	Update for CoC rates	185,372	6.09%	3,041,625	3,415,637	512,346	168,793	(1,813)	14,087	1,220,380	1,586,820	125,235	1,461,585	371,227
	Change	(12,006)	-0.39%	0	0	0	0	117	(1,027)	0	(12,915)	0	(12,915)	(12,915)

## Appendix "A"



# Town of Atikokan

Box 1330, 120 Marks Street  
Atikokan, Ontario P0T 1C0

Office of the Mayor  
807-597-1234 x235  
Administration/Accounting  
807-597-1234  
Community Services  
807-597-1234 x232 or x229  
Director of Public Works  
807-597-1234 x231  
Fire/Building  
807-597-1234 x228  
Office Fax: 807-597-6186  
[www.atikokan.ca](http://www.atikokan.ca)

March 13, 2012

Atikokan Hydro Inc.  
117 Gorrie St.  
Atikokan, ON  
P0T 1C0

Re: Confirmation of Balance Owing – Long Term Debt

To Whom It May Concern,

Please accept this letter as confirmation of the balance outstanding from Atikokan Hydro Inc. payable to The Town of Atikokan in relation to a loan issued in January 2009.

The balance outstanding as at December 31, 2011 is **\$1,270,334.33**.

This balance is reflective of the December 2011 payment (received January 3, 2012) being recorded.

Regards,

A handwritten signature in black ink, appearing to read 'Lonny Maunu', with a long horizontal line extending to the right.

Lonny Maunu  
Treasurer



# Town of Atikokan

Box 1330, 120 Marks Street  
Atikokan, Ontario P0T 1C0

Office of the Mayor  
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[www.atikokan.ca](http://www.atikokan.ca)

March 13, 2012

Atikokan Hydro Inc.  
117 Gorrie St.  
Atikokan, ON  
P0T 1C0

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The balance outstanding as at December 31, 2011 is **\$1,270,334.33**.

This balance is reflective of the December 2011 payment (received January 3, 2012) being recorded.

Regards,

Lonny Maunu  
Treasurer



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Office Fax: 807-597-6186  
[www.atikokan.ca](http://www.atikokan.ca)

March 24, 2011

Wilf Thorburn  
Atikokan Hydro  
Atikokan, Ontario  
P0T 1C0

Dear Wilf:

I confirm the outstanding balance of the Atikokan Hydro loan as at December 31, 2010 is \$1,282,096.59. I also confirm the annual interest rate of 5.0% and the monthly payment which includes interest of principal is \$6,300.00.

Please do not hesitate to contact me if you have any questions or concerns.

Regards,

André Morin  
CAO/Treasurer



# Town of Atikokan

Box 1330, 120 Marks Street  
Atikokan, Ontario P0T 1C0

Office of the Mayor  
807-597-2540  
Administration/Accounting  
807-597-2738  
Director of Public Works  
807-597-2390  
Fire Chief/Chief Building Official  
807-597-4520  
Town Fax: 807-597-6186  
[www.atikokan.ca](http://www.atikokan.ca)

February 25, 2010

Wilf Thorburn  
Atikokan Hydro  
Atikokan, Ontario  
P0T 1C0

Dear Wilf:

I confirm the outstanding balance of the Hydro loan is \$1,295,097.70 plus accrued interest. I also confirm the annual interest rate of 5.0% and monthly payment including interest and principal is \$6,300.00.

Please feel free to contact me if you have any questions or concerns.

Regards,

André Morin  
CAO-Treasurer

**The Corporation of the Township of Atikokan**

**By-law No. 14-09**

Being a by-law to authorize an Amendment to By-Law 32-2000 (A By-Law to transfer the employees, assets, liabilities, rights and obligations of the Hydro-Electric Commission of the Township of Atikokan)

**WHEREAS** *The Municipal Act, R.S.O. 2001, as amended* confers on municipal councils general and specific powers to enter into agreements; and

**WHEREAS** The Corporation of the Township of Atikokan desires to amend a portion of the prior agreement;

**NOW THEREFORE** the Council of The Corporation of the Township of Atikokan ENACTS AS FOLLOWS:

1. THAT item 4.2 (b) (ii) of By-Law 32-2000 be amended to read as follows:

"the issuance by the Corporation of the Township of Atikokan of a promissory note (the "Promissory Note") having a principal amount equal to fifty (50%) percent of such balance, such note to bear interest at the rate of five percent (5%) per annum from January 1, 2009 forward. The Promissory Note shall be secured by a Debenture over all assets of the Corporation. The Debenture shall be a First Fixed Charge on all realty of the Corporation and a First Floating Charge on all assets of the Corporation which permit the Corporation to deal with the assets in the ordinary course of business."

2. THAT the Mayor and Clerk are hereby authorized and directed to execute said agreement for and on behalf of The Corporation of the Township of Atikokan, and to affix the Seal of the Corporation thereto.

READ a First, Second and Third time and finally passed this 23rd day of March, 2009.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Clerk

Compound Period ..... : Monthly

Nominal Annual Rate .... : 5.000 %

## CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	01/01/2009	1,309,297.11	1		
2 Payment	01/01/2009	5,113.48	1		
3 Payment	01/30/2009	6,300.00	476	Monthly	08/30/2048
4 Payment	09/30/2048	6,226.04	1		

## AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	01/01/2009				1,309,297.11
1	01/01/2009	5,113.48	0.00	5,113.48	1,304,183.63
2	01/30/2009	6,300.00	5,181.00	1,119.00	1,303,064.63
3	02/28/2009	6,300.00	5,429.44	870.56	1,302,194.07
4	03/30/2009	6,300.00	5,425.81	874.19	1,301,319.88
5	04/30/2009	6,300.00	5,422.17	877.83	1,300,442.05
6	05/30/2009	6,300.00	5,418.51	881.49	1,299,560.56
7	06/30/2009	6,300.00	5,414.84	885.16	1,298,675.40
8	07/30/2009	6,300.00	5,411.15	888.85	1,297,786.55
9	08/30/2009	6,300.00	5,407.44	892.56	1,296,893.99
10	09/30/2009	6,300.00	5,403.72	896.28	1,295,997.71
11	10/30/2009	6,300.00	5,399.99	900.01	1,295,097.70
12	11/30/2009	6,300.00	5,396.24	903.76	1,294,193.94
13	12/30/2009	6,300.00	5,392.47	907.53	1,293,286.41
2009 Totals		80,713.48	64,702.78	16,010.70	
14	01/30/2010	6,300.00	5,388.69	911.31	1,292,375.10
15	02/28/2010	6,300.00	5,384.90	915.10	1,291,460.00
16	03/30/2010	6,300.00	5,381.08	918.92	1,290,541.08
17	04/30/2010	6,300.00	5,377.25	922.75	1,289,618.33
18	05/30/2010	6,300.00	5,373.41	926.59	1,288,691.74
19	06/30/2010	6,300.00	5,369.55	930.45	1,287,761.29
20	07/30/2010	6,300.00	5,365.67	934.33	1,286,826.96
21	08/30/2010	6,300.00	5,361.78	938.22	1,285,888.74
22	09/30/2010	6,300.00	5,357.87	942.13	1,284,946.61
23	10/30/2010	6,300.00	5,353.94	946.06	1,284,000.55
24	11/30/2010	6,300.00	5,350.00	950.00	1,283,050.55
25	12/30/2010	6,300.00	5,346.04	953.96	1,282,096.59
2010 Totals		75,600.00	64,410.18	11,189.82	
26	01/30/2011	6,300.00	5,342.07	957.93	1,281,138.66
27	02/28/2011	6,300.00	5,338.08	961.92	1,280,176.74
28	03/30/2011	6,300.00	5,334.07	965.93	1,279,210.81
29	04/30/2011	6,300.00	5,330.05	969.95	1,278,240.86
30	05/30/2011	6,300.00	5,326.00	974.00	1,277,266.86
31	06/30/2011	6,300.00	5,321.95	978.05	1,276,288.81

	Date	Payment	Interest	Principal	Balance
32	07/30/2011	6,300.00	5,317.87	982.13	1,275,306.68
33	08/30/2011	6,300.00	5,313.78	986.22	1,274,320.46
34	09/30/2011	6,300.00	5,309.67	990.33	1,273,330.13
35	10/30/2011	6,300.00	5,305.54	994.46	1,272,335.67
36	11/30/2011	6,300.00	5,301.40	998.60	1,271,337.07
37	12/30/2011	6,300.00	5,297.24	1,002.76	1,270,334.31
2011 Totals		75,600.00	63,837.72	11,762.28	
38	01/30/2012	6,300.00	5,293.06	1,006.94	1,269,327.37
39	02/29/2012	6,300.00	5,288.86	1,011.14	1,268,316.23
40	03/30/2012	6,300.00	5,284.65	1,015.35	1,267,300.88
41	04/30/2012	6,300.00	5,280.42	1,019.58	1,266,281.30
42	05/30/2012	6,300.00	5,276.17	1,023.83	1,265,257.47
43	06/30/2012	6,300.00	5,271.91	1,028.09	1,264,229.38
44	07/30/2012	6,300.00	5,267.62	1,032.38	1,263,197.00
45	08/30/2012	6,300.00	5,263.32	1,036.68	1,262,160.32
46	09/30/2012	6,300.00	5,259.00	1,041.00	1,261,119.32
47	10/30/2012	6,300.00	5,254.66	1,045.34	1,260,073.98
48	11/30/2012	6,300.00	5,250.31	1,049.69	1,259,024.29
49	12/30/2012	6,300.00	5,245.93	1,054.07	1,257,970.22
2012 Totals		75,600.00	63,235.91	12,364.09	
50	01/30/2013	6,300.00	5,241.54	1,058.46	1,256,911.76
51	02/28/2013	6,300.00	5,237.13	1,062.87	1,255,848.89
52	03/30/2013	6,300.00	5,232.70	1,067.30	1,254,781.59
53	04/30/2013	6,300.00	5,228.26	1,071.74	1,253,709.85
54	05/30/2013	6,300.00	5,223.79	1,076.21	1,252,633.64
55	06/30/2013	6,300.00	5,219.31	1,080.69	1,251,552.95
56	07/30/2013	6,300.00	5,214.80	1,085.20	1,250,467.75
57	08/30/2013	6,300.00	5,210.28	1,089.72	1,249,378.03
58	09/30/2013	6,300.00	5,205.74	1,094.26	1,248,283.77
59	10/30/2013	6,300.00	5,201.18	1,098.82	1,247,184.95
60	11/30/2013	6,300.00	5,196.60	1,103.40	1,246,081.55
61	12/30/2013	6,300.00	5,192.01	1,107.99	1,244,973.56
2013 Totals		75,600.00	62,603.34	12,996.66	
62	01/30/2014	6,300.00	5,187.39	1,112.61	1,243,860.95
63	02/28/2014	6,300.00	5,182.75	1,117.25	1,242,743.70
64	03/30/2014	6,300.00	5,178.10	1,121.90	1,241,621.80
65	04/30/2014	6,300.00	5,173.42	1,126.58	1,240,495.22
66	05/30/2014	6,300.00	5,168.73	1,131.27	1,239,363.95
67	06/30/2014	6,300.00	5,164.02	1,135.98	1,238,227.97
68	07/30/2014	6,300.00	5,159.28	1,140.72	1,237,087.25
69	08/30/2014	6,300.00	5,154.53	1,145.47	1,235,941.78
70	09/30/2014	6,300.00	5,149.76	1,150.24	1,234,791.54
71	10/30/2014	6,300.00	5,144.96	1,155.04	1,233,636.50
72	11/30/2014	6,300.00	5,140.15	1,159.85	1,232,476.65
73	12/30/2014	6,300.00	5,135.32	1,164.68	1,231,311.97
2014 Totals		75,600.00	61,938.41	13,661.59	
74	01/30/2015	6,300.00	5,130.47	1,169.53	1,230,142.44

	Date	Payment	Interest	Principal	Balance
75	02/28/2015	6,300.00	5,125.59	1,174.41	1,228,968.03
76	03/30/2015	6,300.00	5,120.70	1,179.30	1,227,788.73
77	04/30/2015	6,300.00	5,115.79	1,184.21	1,226,604.52
78	05/30/2015	6,300.00	5,110.85	1,189.15	1,225,415.37
79	06/30/2015	6,300.00	5,105.90	1,194.10	1,224,221.27
80	07/30/2015	6,300.00	5,100.92	1,199.08	1,223,022.19
81	08/30/2015	6,300.00	5,095.93	1,204.07	1,221,818.12
82	09/30/2015	6,300.00	5,090.91	1,209.09	1,220,609.03
83	10/30/2015	6,300.00	5,085.87	1,214.13	1,219,394.90
84	11/30/2015	6,300.00	5,080.81	1,219.19	1,218,175.71
85	12/30/2015	6,300.00	5,075.73	1,224.27	1,216,951.44
2015 Totals		75,600.00	61,239.47	14,360.53	
86	01/30/2016	6,300.00	5,070.63	1,229.37	1,215,722.07
87	02/29/2016	6,300.00	5,065.51	1,234.49	1,214,487.58
88	03/30/2016	6,300.00	5,060.36	1,239.64	1,213,247.94
89	04/30/2016	6,300.00	5,055.20	1,244.80	1,212,003.14
90	05/30/2016	6,300.00	5,050.01	1,249.99	1,210,753.15
91	06/30/2016	6,300.00	5,044.80	1,255.20	1,209,497.95
92	07/30/2016	6,300.00	5,039.57	1,260.43	1,208,237.52
93	08/30/2016	6,300.00	5,034.32	1,265.68	1,206,971.84
94	09/30/2016	6,300.00	5,029.05	1,270.95	1,205,700.89
95	10/30/2016	6,300.00	5,023.75	1,276.25	1,204,424.64
96	11/30/2016	6,300.00	5,018.44	1,281.56	1,203,143.08
97	12/30/2016	6,300.00	5,013.10	1,286.90	1,201,856.18
2016 Totals		75,600.00	60,504.74	15,095.26	
98	01/30/2017	6,300.00	5,007.73	1,292.27	1,200,563.91
99	02/28/2017	6,300.00	5,002.35	1,297.65	1,199,266.26
100	03/30/2017	6,300.00	4,996.94	1,303.06	1,197,963.20
101	04/30/2017	6,300.00	4,991.51	1,308.49	1,196,654.71
102	05/30/2017	6,300.00	4,986.06	1,313.94	1,195,340.77
103	06/30/2017	6,300.00	4,980.59	1,319.41	1,194,021.36
104	07/30/2017	6,300.00	4,975.09	1,324.91	1,192,696.45
105	08/30/2017	6,300.00	4,969.57	1,330.43	1,191,366.02
106	09/30/2017	6,300.00	4,964.03	1,335.97	1,190,030.05
107	10/30/2017	6,300.00	4,958.46	1,341.54	1,188,688.51
108	11/30/2017	6,300.00	4,952.87	1,347.13	1,187,341.38
109	12/30/2017	6,300.00	4,947.26	1,352.74	1,185,988.64
2017 Totals		75,600.00	59,732.46	15,867.54	
110	01/30/2018	6,300.00	4,941.62	1,358.38	1,184,630.26
111	02/28/2018	6,300.00	4,935.96	1,364.04	1,183,266.22
112	03/30/2018	6,300.00	4,930.28	1,369.72	1,181,896.50
113	04/30/2018	6,300.00	4,924.57	1,375.43	1,180,521.07
114	05/30/2018	6,300.00	4,918.84	1,381.16	1,179,139.91
115	06/30/2018	6,300.00	4,913.08	1,386.92	1,177,752.99
116	07/30/2018	6,300.00	4,907.30	1,392.70	1,176,360.29
117	08/30/2018	6,300.00	4,901.50	1,398.50	1,174,961.79
118	09/30/2018	6,300.00	4,895.67	1,404.33	1,173,557.46
119	10/30/2018	6,300.00	4,889.82	1,410.18	1,172,147.28

	Date	Payment	Interest	Principal	Balance
120	11/30/2018	6,300.00	4,883.95	1,416.05	1,170,731.23
121	12/30/2018	6,300.00	4,878.05	1,421.95	1,169,309.28
2018 Totals		75,600.00	58,920.64	16,679.36	
122	01/30/2019	6,300.00	4,872.12	1,427.88	1,167,881.40
123	02/28/2019	6,300.00	4,866.17	1,433.83	1,166,447.57
124	03/30/2019	6,300.00	4,860.20	1,439.80	1,165,007.77
125	04/30/2019	6,300.00	4,854.20	1,445.80	1,163,561.97
126	05/30/2019	6,300.00	4,848.17	1,451.83	1,162,110.14
127	06/30/2019	6,300.00	4,842.13	1,457.87	1,160,652.27
128	07/30/2019	6,300.00	4,836.05	1,463.95	1,159,188.32
129	08/30/2019	6,300.00	4,829.95	1,470.05	1,157,718.27
130	09/30/2019	6,300.00	4,823.83	1,476.17	1,156,242.10
131	10/30/2019	6,300.00	4,817.68	1,482.32	1,154,759.78
132	11/30/2019	6,300.00	4,811.50	1,488.50	1,153,271.28
133	12/30/2019	6,300.00	4,805.30	1,494.70	1,151,776.58
2019 Totals		75,600.00	58,067.30	17,532.70	
134	01/30/2020	6,300.00	4,799.07	1,500.93	1,150,275.65
135	02/29/2020	6,300.00	4,792.82	1,507.18	1,148,768.47
136	03/30/2020	6,300.00	4,786.54	1,513.46	1,147,255.01
137	04/30/2020	6,300.00	4,780.23	1,519.77	1,145,735.24
138	05/30/2020	6,300.00	4,773.90	1,526.10	1,144,209.14
139	06/30/2020	6,300.00	4,767.54	1,532.46	1,142,676.68
140	07/30/2020	6,300.00	4,761.15	1,538.85	1,141,137.83
141	08/30/2020	6,300.00	4,754.74	1,545.26	1,139,592.57
142	09/30/2020	6,300.00	4,748.30	1,551.70	1,138,040.87
143	10/30/2020	6,300.00	4,741.84	1,558.16	1,136,482.71
144	11/30/2020	6,300.00	4,735.34	1,564.66	1,134,918.05
145	12/30/2020	6,300.00	4,728.83	1,571.17	1,133,346.88
2020 Totals		75,600.00	57,170.30	18,429.70	
146	01/30/2021	6,300.00	4,722.28	1,577.72	1,131,769.16
147	02/28/2021	6,300.00	4,715.70	1,584.30	1,130,184.86
148	03/30/2021	6,300.00	4,709.10	1,590.90	1,128,593.96
149	04/30/2021	6,300.00	4,702.47	1,597.53	1,126,996.43
150	05/30/2021	6,300.00	4,695.82	1,604.18	1,125,392.25
151	06/30/2021	6,300.00	4,689.13	1,610.87	1,123,781.38
152	07/30/2021	6,300.00	4,682.42	1,617.58	1,122,163.80
153	08/30/2021	6,300.00	4,675.68	1,624.32	1,120,539.48
154	09/30/2021	6,300.00	4,668.91	1,631.09	1,118,908.39
155	10/30/2021	6,300.00	4,662.12	1,637.88	1,117,270.51
156	11/30/2021	6,300.00	4,655.29	1,644.71	1,115,625.80
157	12/30/2021	6,300.00	4,648.44	1,651.56	1,113,974.24
2021 Totals		75,600.00	56,227.36	19,372.64	
158	01/30/2022	6,300.00	4,641.56	1,658.44	1,112,315.80
159	02/28/2022	6,300.00	4,634.65	1,665.35	1,110,650.45
160	03/30/2022	6,300.00	4,627.71	1,672.29	1,108,978.16
161	04/30/2022	6,300.00	4,620.74	1,679.26	1,107,298.90
162	05/30/2022	6,300.00	4,613.75	1,686.25	1,105,612.65

	Date	Payment	Interest	Principal	Balance
163	06/30/2022	6,300.00	4,606.72	1,693.28	1,103,919.37
164	07/30/2022	6,300.00	4,599.66	1,700.34	1,102,219.03
165	08/30/2022	6,300.00	4,592.58	1,707.42	1,100,511.61
166	09/30/2022	6,300.00	4,585.47	1,714.53	1,098,797.08
167	10/30/2022	6,300.00	4,578.32	1,721.68	1,097,075.40
168	11/30/2022	6,300.00	4,571.15	1,728.85	1,095,346.55
169	12/30/2022	6,300.00	4,563.94	1,736.06	1,093,610.49
2022 Totals		75,600.00	55,236.25	20,363.75	
170	01/30/2023	6,300.00	4,556.71	1,743.29	1,091,867.20
171	02/28/2023	6,300.00	4,549.45	1,750.55	1,090,116.65
172	03/30/2023	6,300.00	4,542.15	1,757.85	1,088,358.80
173	04/30/2023	6,300.00	4,534.83	1,765.17	1,086,593.63
174	05/30/2023	6,300.00	4,527.47	1,772.53	1,084,821.10
175	06/30/2023	6,300.00	4,520.09	1,779.91	1,083,041.19
176	07/30/2023	6,300.00	4,512.67	1,787.33	1,081,253.86
177	08/30/2023	6,300.00	4,505.22	1,794.78	1,079,459.08
178	09/30/2023	6,300.00	4,497.75	1,802.25	1,077,656.83
179	10/30/2023	6,300.00	4,490.24	1,809.76	1,075,847.07
180	11/30/2023	6,300.00	4,482.70	1,817.30	1,074,029.77
181	12/30/2023	6,300.00	4,475.12	1,824.88	1,072,204.89
2023 Totals		75,600.00	54,194.40	21,405.60	
182	01/30/2024	6,300.00	4,467.52	1,832.48	1,070,372.41
183	02/29/2024	6,300.00	4,459.89	1,840.11	1,068,532.30
184	03/30/2024	6,300.00	4,452.22	1,847.78	1,066,684.52
185	04/30/2024	6,300.00	4,444.52	1,855.48	1,064,829.04
186	05/30/2024	6,300.00	4,436.79	1,863.21	1,062,965.83
187	06/30/2024	6,300.00	4,429.02	1,870.98	1,061,094.85
188	07/30/2024	6,300.00	4,421.23	1,878.77	1,059,216.08
189	08/30/2024	6,300.00	4,413.40	1,886.60	1,057,329.48
190	09/30/2024	6,300.00	4,405.54	1,894.46	1,055,435.02
191	10/30/2024	6,300.00	4,397.65	1,902.35	1,053,532.67
192	11/30/2024	6,300.00	4,389.72	1,910.28	1,051,622.39
193	12/30/2024	6,300.00	4,381.76	1,918.24	1,049,704.15
2024 Totals		75,600.00	53,099.26	22,500.74	
194	01/30/2025	6,300.00	4,373.77	1,926.23	1,047,777.92
195	02/28/2025	6,300.00	4,365.74	1,934.26	1,045,843.66
196	03/30/2025	6,300.00	4,357.68	1,942.32	1,043,901.34
197	04/30/2025	6,300.00	4,349.59	1,950.41	1,041,950.93
198	05/30/2025	6,300.00	4,341.46	1,958.54	1,039,992.39
199	06/30/2025	6,300.00	4,333.30	1,966.70	1,038,025.69
200	07/30/2025	6,300.00	4,325.11	1,974.89	1,036,050.80
201	08/30/2025	6,300.00	4,316.88	1,983.12	1,034,067.68
202	09/30/2025	6,300.00	4,308.62	1,991.38	1,032,076.30
203	10/30/2025	6,300.00	4,300.32	1,999.68	1,030,076.62
204	11/30/2025	6,300.00	4,291.99	2,008.01	1,028,068.61
205	12/30/2025	6,300.00	4,283.62	2,016.38	1,026,052.23
2025 Totals		75,600.00	51,948.08	23,651.92	

	Date	Payment	Interest	Principal	Balance
206	01/30/2026	6,300.00	4,275.22	2,024.78	1,024,027.45
207	02/28/2026	6,300.00	4,266.78	2,033.22	1,021,994.23
208	03/30/2026	6,300.00	4,258.31	2,041.69	1,019,952.54
209	04/30/2026	6,300.00	4,249.80	2,050.20	1,017,902.34
210	05/30/2026	6,300.00	4,241.26	2,058.74	1,015,843.60
211	06/30/2026	6,300.00	4,232.68	2,067.32	1,013,776.28
212	07/30/2026	6,300.00	4,224.07	2,075.93	1,011,700.35
213	08/30/2026	6,300.00	4,215.42	2,084.58	1,009,615.77
214	09/30/2026	6,300.00	4,206.73	2,093.27	1,007,522.50
215	10/30/2026	6,300.00	4,198.01	2,101.99	1,005,420.51
216	11/30/2026	6,300.00	4,189.25	2,110.75	1,003,309.76
217	12/30/2026	6,300.00	4,180.46	2,119.54	1,001,190.22
2026 Totals		75,600.00	50,737.99	24,862.01	
218	01/30/2027	6,300.00	4,171.63	2,128.37	999,061.85
219	02/28/2027	6,300.00	4,162.76	2,137.24	996,924.61
220	03/30/2027	6,300.00	4,153.85	2,146.15	994,778.46
221	04/30/2027	6,300.00	4,144.91	2,155.09	992,623.37
222	05/30/2027	6,300.00	4,135.93	2,164.07	990,459.30
223	06/30/2027	6,300.00	4,126.91	2,173.09	988,286.21
224	07/30/2027	6,300.00	4,117.86	2,182.14	986,104.07
225	08/30/2027	6,300.00	4,108.77	2,191.23	983,912.84
226	09/30/2027	6,300.00	4,099.64	2,200.36	981,712.48
227	10/30/2027	6,300.00	4,090.47	2,209.53	979,502.95
228	11/30/2027	6,300.00	4,081.26	2,218.74	977,284.21
229	12/30/2027	6,300.00	4,072.02	2,227.98	975,056.23
2027 Totals		75,600.00	49,466.01	26,133.99	
230	01/30/2028	6,300.00	4,062.73	2,237.27	972,818.96
231	02/29/2028	6,300.00	4,053.41	2,246.59	970,572.37
232	03/30/2028	6,300.00	4,044.05	2,255.95	968,316.42
233	04/30/2028	6,300.00	4,034.65	2,265.35	966,051.07
234	05/30/2028	6,300.00	4,025.21	2,274.79	963,776.28
235	06/30/2028	6,300.00	4,015.73	2,284.27	961,492.01
236	07/30/2028	6,300.00	4,006.22	2,293.78	959,198.23
237	08/30/2028	6,300.00	3,996.66	2,303.34	956,894.89
238	09/30/2028	6,300.00	3,987.06	2,312.94	954,581.95
239	10/30/2028	6,300.00	3,977.42	2,322.58	952,259.37
240	11/30/2028	6,300.00	3,967.75	2,332.25	949,927.12
241	12/30/2028	6,300.00	3,958.03	2,341.97	947,585.15
2028 Totals		75,600.00	48,128.92	27,471.08	
242	01/30/2029	6,300.00	3,948.27	2,351.73	945,233.42
243	02/28/2029	6,300.00	3,938.47	2,361.53	942,871.89
244	03/30/2029	6,300.00	3,928.63	2,371.37	940,500.52
245	04/30/2029	6,300.00	3,918.75	2,381.25	938,119.27
246	05/30/2029	6,300.00	3,908.83	2,391.17	935,728.10
247	06/30/2029	6,300.00	3,898.87	2,401.13	933,326.97
248	07/30/2029	6,300.00	3,888.86	2,411.14	930,915.83
249	08/30/2029	6,300.00	3,878.82	2,421.18	928,494.65
250	09/30/2029	6,300.00	3,868.73	2,431.27	926,063.38

	Date	Payment	Interest	Principal	Balance
251	10/30/2029	6,300.00	3,858.60	2,441.40	923,621.98
252	11/30/2029	6,300.00	3,848.42	2,451.58	921,170.40
253	12/30/2029	6,300.00	3,838.21	2,461.79	918,708.61
2029 Totals		75,600.00	46,723.46	28,876.54	
254	01/30/2030	6,300.00	3,827.95	2,472.05	916,236.56
255	02/28/2030	6,300.00	3,817.65	2,482.35	913,754.21
256	03/30/2030	6,300.00	3,807.31	2,492.69	911,261.52
257	04/30/2030	6,300.00	3,796.92	2,503.08	908,758.44
258	05/30/2030	6,300.00	3,786.49	2,513.51	906,244.93
259	06/30/2030	6,300.00	3,776.02	2,523.98	903,720.95
260	07/30/2030	6,300.00	3,765.50	2,534.50	901,186.45
261	08/30/2030	6,300.00	3,754.94	2,545.06	898,641.39
262	09/30/2030	6,300.00	3,744.34	2,555.66	896,085.73
263	10/30/2030	6,300.00	3,733.69	2,566.31	893,519.42
264	11/30/2030	6,300.00	3,723.00	2,577.00	890,942.42
265	12/30/2030	6,300.00	3,712.26	2,587.74	888,354.68
2030 Totals		75,600.00	45,246.07	30,353.93	
266	01/30/2031	6,300.00	3,701.48	2,598.52	885,756.16
267	02/28/2031	6,300.00	3,690.65	2,609.35	883,146.81
268	03/30/2031	6,300.00	3,679.78	2,620.22	880,526.59
269	04/30/2031	6,300.00	3,668.86	2,631.14	877,895.45
270	05/30/2031	6,300.00	3,657.90	2,642.10	875,253.35
271	06/30/2031	6,300.00	3,646.89	2,653.11	872,600.24
272	07/30/2031	6,300.00	3,635.83	2,664.17	869,936.07
273	08/30/2031	6,300.00	3,624.73	2,675.27	867,260.80
274	09/30/2031	6,300.00	3,613.59	2,686.41	864,574.39
275	10/30/2031	6,300.00	3,602.39	2,697.61	861,876.78
276	11/30/2031	6,300.00	3,591.15	2,708.85	859,167.93
277	12/30/2031	6,300.00	3,579.87	2,720.13	856,447.80
2031 Totals		75,600.00	43,693.12	31,906.88	
278	01/30/2032	6,300.00	3,568.53	2,731.47	853,716.33
279	02/29/2032	6,300.00	3,557.15	2,742.85	850,973.48
280	03/30/2032	6,300.00	3,545.72	2,754.28	848,219.20
281	04/30/2032	6,300.00	3,534.25	2,765.75	845,453.45
282	05/30/2032	6,300.00	3,522.72	2,777.28	842,676.17
283	06/30/2032	6,300.00	3,511.15	2,788.85	839,887.32
284	07/30/2032	6,300.00	3,499.53	2,800.47	837,086.85
285	08/30/2032	6,300.00	3,487.86	2,812.14	834,274.71
286	09/30/2032	6,300.00	3,476.14	2,823.86	831,450.85
287	10/30/2032	6,300.00	3,464.38	2,835.62	828,615.23
288	11/30/2032	6,300.00	3,452.56	2,847.44	825,767.79
289	12/30/2032	6,300.00	3,440.70	2,859.30	822,908.49
2032 Totals		75,600.00	42,060.69	33,539.31	
290	01/30/2033	6,300.00	3,428.79	2,871.21	820,037.28
291	02/28/2033	6,300.00	3,416.82	2,883.18	817,154.10
292	03/30/2033	6,300.00	3,404.81	2,895.19	814,258.91
293	04/30/2033	6,300.00	3,392.75	2,907.25	811,351.66

	Date	Payment	Interest	Principal	Balance
294	05/30/2033	6,300.00	3,380.63	2,919.37	808,432.29
295	06/30/2033	6,300.00	3,368.47	2,931.53	805,500.76
296	07/30/2033	6,300.00	3,356.25	2,943.75	802,557.01
297	08/30/2033	6,300.00	3,343.99	2,956.01	799,601.00
298	09/30/2033	6,300.00	3,331.67	2,968.33	796,632.67
299	10/30/2033	6,300.00	3,319.30	2,980.70	793,651.97
300	11/30/2033	6,300.00	3,306.88	2,993.12	790,658.85
301	12/30/2033	6,300.00	3,294.41	3,005.59	787,653.26
2033 Totals		75,600.00	40,344.77	35,255.23	
302	01/30/2034	6,300.00	3,281.89	3,018.11	784,635.15
303	02/28/2034	6,300.00	3,269.31	3,030.69	781,604.46
304	03/30/2034	6,300.00	3,256.69	3,043.31	778,561.15
305	04/30/2034	6,300.00	3,244.00	3,056.00	775,505.15
306	05/30/2034	6,300.00	3,231.27	3,068.73	772,436.42
307	06/30/2034	6,300.00	3,218.49	3,081.51	769,354.91
308	07/30/2034	6,300.00	3,205.65	3,094.35	766,260.56
309	08/30/2034	6,300.00	3,192.75	3,107.25	763,153.31
310	09/30/2034	6,300.00	3,179.81	3,120.19	760,033.12
311	10/30/2034	6,300.00	3,166.80	3,133.20	756,899.92
312	11/30/2034	6,300.00	3,153.75	3,146.25	753,753.67
313	12/30/2034	6,300.00	3,140.64	3,159.36	750,594.31
2034 Totals		75,600.00	38,541.05	37,058.95	
314	01/30/2035	6,300.00	3,127.48	3,172.52	747,421.79
315	02/28/2035	6,300.00	3,114.26	3,185.74	744,236.05
316	03/30/2035	6,300.00	3,100.98	3,199.02	741,037.03
317	04/30/2035	6,300.00	3,087.65	3,212.35	737,824.68
318	05/30/2035	6,300.00	3,074.27	3,225.73	734,598.95
319	06/30/2035	6,300.00	3,060.83	3,239.17	731,359.78
320	07/30/2035	6,300.00	3,047.33	3,252.67	728,107.11
321	08/30/2035	6,300.00	3,033.78	3,266.22	724,840.89
322	09/30/2035	6,300.00	3,020.17	3,279.83	721,561.06
323	10/30/2035	6,300.00	3,006.50	3,293.50	718,267.56
324	11/30/2035	6,300.00	2,992.78	3,307.22	714,960.34
325	12/30/2035	6,300.00	2,979.00	3,321.00	711,639.34
2035 Totals		75,600.00	36,645.03	38,954.97	
326	01/30/2036	6,300.00	2,965.16	3,334.84	708,304.50
327	02/29/2036	6,300.00	2,951.27	3,348.73	704,955.77
328	03/30/2036	6,300.00	2,937.32	3,362.68	701,593.09
329	04/30/2036	6,300.00	2,923.30	3,376.70	698,216.39
330	05/30/2036	6,300.00	2,909.23	3,390.77	694,825.62
331	06/30/2036	6,300.00	2,895.11	3,404.89	691,420.73
332	07/30/2036	6,300.00	2,880.92	3,419.08	688,001.65
333	08/30/2036	6,300.00	2,866.67	3,433.33	684,568.32
334	09/30/2036	6,300.00	2,852.37	3,447.63	681,120.69
335	10/30/2036	6,300.00	2,838.00	3,462.00	677,658.69
336	11/30/2036	6,300.00	2,823.58	3,476.42	674,182.27
337	12/30/2036	6,300.00	2,809.09	3,490.91	670,691.36
2036 Totals		75,600.00	34,652.02	40,947.98	

	Date	Payment	Interest	Principal	Balance
338	01/30/2037	6,300.00	2,794.55	3,505.45	667,185.91
339	02/28/2037	6,300.00	2,779.94	3,520.06	663,665.85
340	03/30/2037	6,300.00	2,765.27	3,534.73	660,131.12
341	04/30/2037	6,300.00	2,750.55	3,549.45	656,581.67
342	05/30/2037	6,300.00	2,735.76	3,564.24	653,017.43
343	06/30/2037	6,300.00	2,720.91	3,579.09	649,438.34
344	07/30/2037	6,300.00	2,705.99	3,594.01	645,844.33
345	08/30/2037	6,300.00	2,691.02	3,608.98	642,235.35
346	09/30/2037	6,300.00	2,675.98	3,624.02	638,611.33
347	10/30/2037	6,300.00	2,660.88	3,639.12	634,972.21
348	11/30/2037	6,300.00	2,645.72	3,654.28	631,317.93
349	12/30/2037	6,300.00	2,630.49	3,669.51	627,648.42
2037 Totals		75,600.00	32,557.06	43,042.94	
350	01/30/2038	6,300.00	2,615.20	3,684.80	623,963.62
351	02/28/2038	6,300.00	2,599.85	3,700.15	620,263.47
352	03/30/2038	6,300.00	2,584.43	3,715.57	616,547.90
353	04/30/2038	6,300.00	2,568.95	3,731.05	612,816.85
354	05/30/2038	6,300.00	2,553.40	3,746.60	609,070.25
355	06/30/2038	6,300.00	2,537.79	3,762.21	605,308.04
356	07/30/2038	6,300.00	2,522.12	3,777.88	601,530.16
357	08/30/2038	6,300.00	2,506.38	3,793.62	597,736.54
358	09/30/2038	6,300.00	2,490.57	3,809.43	593,927.11
359	10/30/2038	6,300.00	2,474.70	3,825.30	590,101.81
360	11/30/2038	6,300.00	2,458.76	3,841.24	586,260.57
361	12/30/2038	6,300.00	2,442.75	3,857.25	582,403.32
2038 Totals		75,600.00	30,354.90	45,245.10	
362	01/30/2039	6,300.00	2,426.68	3,873.32	578,530.00
363	02/28/2039	6,300.00	2,410.54	3,889.46	574,640.54
364	03/30/2039	6,300.00	2,394.34	3,905.66	570,734.88
365	04/30/2039	6,300.00	2,378.06	3,921.94	566,812.94
366	05/30/2039	6,300.00	2,361.72	3,938.28	562,874.66
367	06/30/2039	6,300.00	2,345.31	3,954.69	558,919.97
368	07/30/2039	6,300.00	2,328.83	3,971.17	554,948.80
369	08/30/2039	6,300.00	2,312.29	3,987.71	550,961.09
370	09/30/2039	6,300.00	2,295.67	4,004.33	546,956.76
371	10/30/2039	6,300.00	2,278.99	4,021.01	542,935.75
372	11/30/2039	6,300.00	2,262.23	4,037.77	538,897.98
373	12/30/2039	6,300.00	2,245.41	4,054.59	534,843.39
2039 Totals		75,600.00	28,040.07	47,559.93	
374	01/30/2040	6,300.00	2,228.51	4,071.49	530,771.90
375	02/29/2040	6,300.00	2,211.55	4,088.45	526,683.45
376	03/30/2040	6,300.00	2,194.51	4,105.49	522,577.96
377	04/30/2040	6,300.00	2,177.41	4,122.59	518,455.37
378	05/30/2040	6,300.00	2,160.23	4,139.77	514,315.60
379	06/30/2040	6,300.00	2,142.98	4,157.02	510,158.58
380	07/30/2040	6,300.00	2,125.66	4,174.34	505,984.24
381	08/30/2040	6,300.00	2,108.27	4,191.73	501,792.51
382	09/30/2040	6,300.00	2,090.80	4,209.20	497,583.31

	Date	Payment	Interest	Principal	Balance
383	10/30/2040	6,300.00	2,073.26	4,226.74	493,356.57
384	11/30/2040	6,300.00	2,055.65	4,244.35	489,112.22
385	12/30/2040	6,300.00	2,037.97	4,262.03	484,850.19
2040 Totals		75,600.00	25,606.80	49,993.20	
386	01/30/2041	6,300.00	2,020.21	4,279.79	480,570.40
387	02/28/2041	6,300.00	2,002.38	4,297.62	476,272.78
388	03/30/2041	6,300.00	1,984.47	4,315.53	471,957.25
389	04/30/2041	6,300.00	1,966.49	4,333.51	467,623.74
390	05/30/2041	6,300.00	1,948.43	4,351.57	463,272.17
391	06/30/2041	6,300.00	1,930.30	4,369.70	458,902.47
392	07/30/2041	6,300.00	1,912.09	4,387.91	454,514.56
393	08/30/2041	6,300.00	1,893.81	4,406.19	450,108.37
394	09/30/2041	6,300.00	1,875.45	4,424.55	445,683.82
395	10/30/2041	6,300.00	1,857.02	4,442.98	441,240.84
396	11/30/2041	6,300.00	1,838.50	4,461.50	436,779.34
397	12/30/2041	6,300.00	1,819.91	4,480.09	432,299.25
2041 Totals		75,600.00	23,049.06	52,550.94	
398	01/30/2042	6,300.00	1,801.25	4,498.75	427,800.50
399	02/28/2042	6,300.00	1,782.50	4,517.50	423,283.00
400	03/30/2042	6,300.00	1,763.68	4,536.32	418,746.68
401	04/30/2042	6,300.00	1,744.78	4,555.22	414,191.46
402	05/30/2042	6,300.00	1,725.80	4,574.20	409,617.26
403	06/30/2042	6,300.00	1,706.74	4,593.26	405,024.00
404	07/30/2042	6,300.00	1,687.60	4,612.40	400,411.60
405	08/30/2042	6,300.00	1,668.38	4,631.62	395,779.98
406	09/30/2042	6,300.00	1,649.08	4,650.92	391,129.06
407	10/30/2042	6,300.00	1,629.70	4,670.30	386,458.76
408	11/30/2042	6,300.00	1,610.24	4,689.76	381,769.00
409	12/30/2042	6,300.00	1,590.70	4,709.30	377,059.70
2042 Totals		75,600.00	20,360.45	55,239.55	
410	01/30/2043	6,300.00	1,571.08	4,728.92	372,330.78
411	02/28/2043	6,300.00	1,551.38	4,748.62	367,582.16
412	03/30/2043	6,300.00	1,531.59	4,768.41	362,813.75
413	04/30/2043	6,300.00	1,511.72	4,788.28	358,025.47
414	05/30/2043	6,300.00	1,491.77	4,808.23	353,217.24
415	06/30/2043	6,300.00	1,471.74	4,828.26	348,388.98
416	07/30/2043	6,300.00	1,451.62	4,848.38	343,540.60
417	08/30/2043	6,300.00	1,431.42	4,868.58	338,672.02
418	09/30/2043	6,300.00	1,411.13	4,888.87	333,783.15
419	10/30/2043	6,300.00	1,390.76	4,909.24	328,873.91
420	11/30/2043	6,300.00	1,370.31	4,929.69	323,944.22
421	12/30/2043	6,300.00	1,349.77	4,950.23	318,993.99
2043 Totals		75,600.00	17,534.29	58,065.71	
422	01/30/2044	6,300.00	1,329.14	4,970.86	314,023.13
423	02/29/2044	6,300.00	1,308.43	4,991.57	309,031.56
424	03/30/2044	6,300.00	1,287.63	5,012.37	304,019.19
425	04/30/2044	6,300.00	1,266.75	5,033.25	298,985.94

	Date	Payment	Interest	Principal	Balance
426	05/30/2044	6,300.00	1,245.77	5,054.23	293,931.71
427	06/30/2044	6,300.00	1,224.72	5,075.28	288,856.43
428	07/30/2044	6,300.00	1,203.57	5,096.43	283,760.00
429	08/30/2044	6,300.00	1,182.33	5,117.67	278,642.33
430	09/30/2044	6,300.00	1,161.01	5,138.99	273,503.34
431	10/30/2044	6,300.00	1,139.60	5,160.40	268,342.94
432	11/30/2044	6,300.00	1,118.10	5,181.90	263,161.04
433	12/30/2044	6,300.00	1,096.50	5,203.50	257,957.54
2044 Totals		75,600.00	14,563.55	61,036.45	
434	01/30/2045	6,300.00	1,074.82	5,225.18	252,732.36
435	02/28/2045	6,300.00	1,053.05	5,246.95	247,485.41
436	03/30/2045	6,300.00	1,031.19	5,268.81	242,216.60
437	04/30/2045	6,300.00	1,009.24	5,290.76	236,925.84
438	05/30/2045	6,300.00	987.19	5,312.81	231,613.03
439	06/30/2045	6,300.00	965.05	5,334.95	226,278.08
440	07/30/2045	6,300.00	942.83	5,357.17	220,920.91
441	08/30/2045	6,300.00	920.50	5,379.50	215,541.41
442	09/30/2045	6,300.00	898.09	5,401.91	210,139.50
443	10/30/2045	6,300.00	875.58	5,424.42	204,715.08
444	11/30/2045	6,300.00	852.98	5,447.02	199,268.06
445	12/30/2045	6,300.00	830.28	5,469.72	193,798.34
2045 Totals		75,600.00	11,440.80	64,159.20	
446	01/30/2046	6,300.00	807.49	5,492.51	188,305.83
447	02/28/2046	6,300.00	784.61	5,515.39	182,790.44
448	03/30/2046	6,300.00	761.63	5,538.37	177,252.07
449	04/30/2046	6,300.00	738.55	5,561.45	171,690.62
450	05/30/2046	6,300.00	715.38	5,584.62	166,106.00
451	06/30/2046	6,300.00	692.11	5,607.89	160,498.11
452	07/30/2046	6,300.00	668.74	5,631.26	154,866.85
453	08/30/2046	6,300.00	645.28	5,654.72	149,212.13
454	09/30/2046	6,300.00	621.72	5,678.28	143,533.85
455	10/30/2046	6,300.00	598.06	5,701.94	137,831.91
456	11/30/2046	6,300.00	574.30	5,725.70	132,106.21
457	12/30/2046	6,300.00	550.44	5,749.56	126,356.65
2046 Totals		75,600.00	8,158.31	67,441.69	
458	01/30/2047	6,300.00	526.49	5,773.51	120,583.14
459	02/28/2047	6,300.00	502.43	5,797.57	114,785.57
460	03/30/2047	6,300.00	478.27	5,821.73	108,963.84
461	04/30/2047	6,300.00	454.02	5,845.98	103,117.86
462	05/30/2047	6,300.00	429.66	5,870.34	97,247.52
463	06/30/2047	6,300.00	405.20	5,894.80	91,352.72
464	07/30/2047	6,300.00	380.64	5,919.36	85,433.36
465	08/30/2047	6,300.00	355.97	5,944.03	79,489.33
466	09/30/2047	6,300.00	331.21	5,968.79	73,520.54
467	10/30/2047	6,300.00	306.34	5,993.66	67,526.88
468	11/30/2047	6,300.00	281.36	6,018.64	61,508.24
469	12/30/2047	6,300.00	256.28	6,043.72	55,464.52
2047 Totals		75,600.00	4,707.87	70,892.13	

	Date	Payment	Interest	Principal	Balance
470	01/30/2048	6,300.00	231.10	6,068.90	49,395.62
471	02/29/2048	6,300.00	205.82	6,094.18	43,301.44
472	03/30/2048	6,300.00	180.42	6,119.58	37,181.86
473	04/30/2048	6,300.00	154.92	6,145.08	31,036.78
474	05/30/2048	6,300.00	129.32	6,170.68	24,866.10
475	06/30/2048	6,300.00	103.61	6,196.39	18,669.71
476	07/30/2048	6,300.00	77.79	6,222.21	12,447.50
477	08/30/2048	6,300.00	51.86	6,248.14	6,199.36
478	09/30/2048	6,226.04	26.68	6,199.36	0.00
2048 Totals		56,626.04	1,161.52	55,464.52	
Grand Totals		3,010,139.52	1,700,842.41	1,309,297.11	

The Corporation of the Township of Atikokan

By-law No. 20-06

Being a by-law to authorize an Amendment to By-Law 32-2000 (A By-Law to transfer the employees, assets, liabilities, rights and obligations of the Hydro-Electric Commission of the Township of Atikokan)

**WHEREAS** The Municipal Act, R.S.O. 2001, as amended confers on municipal councils general and specific powers to enter into agreements; and

**WHEREAS** The Corporation of the Township of Atikokan desires to amend a portion of the prior agreement;

**NOW THEREFORE** the Council of The Corporation of the Township of Atikokan ENACTS AS FOLLOWS:


THAT item 4.2 (b) (ii) of By-Law 32-2000 be amended to read as follows:

"the issuance by the Corporation of the Township of Atikokan of a promissory note (the "Promissory Note") having a principal amount equal to fifty (50%) percent of such balance, such note to bear interest at the rate of zero (0%) percent per annum for the period of January 1, 2005 to December 31, 2006. The Promissory Note shall be secured by a Debenture over all assets of the Corporation. The Debenture shall be a First Fixed Charge on all realty of the Corporation and a First Floating Charge on all assets of the Corporation which permit the Corporation to deal with the assets in the ordinary course of business."

2 THAT the Mayor and Clerk are hereby authorized and directed to execute said agreement for and on behalf of The Corporation of the Township of Atikokan, and to affix the Seal of the Corporation thereto.

READ a First, Second and Third time and finally passed this 10th day of April, 2006.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Clerk

**THE CORPORATION OF THE TOWNSHIP OF ATIKOKAN**  
**BY-LAW NUMBER 32 - 2000**

A By-law to transfer the employees, assets, liabilities, rights and obligations of the Hydro-Electric Commission of the Township of Atikokan and The Corporation of the Township of Atikokan associated with the distribution of electricity and associated business activities to Atikokan Hydro Inc. a corporation to be incorporated under the *Business Corporations Act (Ontario)* pursuant to Section 142 of the *Electricity Act, 1998*.

**WHEREAS** the Corporation of the Township of Atikokan (the “Township”) distributes electricity and conducts certain associated and related activities (the “Business”) through the Hydro-Electric Commission of the Township of Atikokan (the “Commission”).

**AND WHEREAS** Under Section 145(1) of the *Electricity Act, 1998*, the Council of the Township (the “Council”) may make by-laws transferring employees, assets, liabilities, rights and obligations of the Township or the commission or other body through which the Township generates, transmits, distributes or retails electricity, to a corporation incorporated under the *Ontario Business Corporations Act* pursuant to Section 142 of *Electricity Act, 1998*.

**AND WHEREAS** Council authorizes the incorporation of Atikokan Hydro Inc. under Section 142(1) of the *Electricity Act, 1998*, for the purpose of distributing electricity and associated business activities.

**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF ATIKOKAN ENACTS AS FOLLOWS:**

**SECTION 1 – INTERPRETATION**

1.1 **DEFINITIONS:** In this By-law, the following terms have the meanings set out below:

- (a) “Act” means *The Electricity Act, 1998*, and the regulations thereunder.
- (b) “Assumed Liabilities” has the meaning given to it in Section 3.2.
- (c) “Atikokan Hydro” means Atikokan Hydro Inc., its successors and assigns.
- (d) “By-law” means this By-law of the Township including any recitals and schedules to this By-law.
- (e) “Corporation” means Atikokan Hydro its successors and assigns, and where the context so requires, any Subsidiaries thereof.
- (f) “Effective Date” means October 31, 2000.

- (g) “Employee” means, in respect of a Person, full-time or part-time, unionized or non-unionized, employee or officer of such Person, including all trainees, and probationary employees.
- (h) “Excluded Assets” means the assets described in Schedule 1.1(8).
- (i) “Excluded Liabilities” means the liabilities described in Section 1.1(9).
- (j) “OBCA” means the *Business Corporations Act* (Ontario), and the regulations thereunder.
- (d) “OEB” means The Ontario Energy Board.
- (l) “OEBA” means the *Ontario Energy Board Act, 1998*, and the regulations thereunder.
- (m) “person” means any natural person, sole proprietorship, partnership, corporation, trust, joint venture, governmental entity or any incorporated or unincorporated entity or association of any kind.
- (n) “personal property leases” has the meaning given to it in Section 3.1(f).
- (o) “promissory note” has the meaning given to it in Section 4.2(b)(ii).
- (p) “real property leases” has the meaning given to in Section 3.1(c).
- (q) “subsidiary” means, with respect to a Corporation, any corporate or other entity of which more than fifty (50%) percent of the outstanding securities of any class carrying exercisable voting rights are beneficially owned, directly or indirectly, by the Corporation, and includes any corporate or other entity in like relation to a Subsidiary.
- (r) “transferred assets” has the meaning given to it in Section 3.1.
- (s) “transferred employees” has the meaning given to it in Section 3.3.
- (t) “transferred reserves” has the meaning given to it in Section 3.1(r).

1.2 **HEADINGS:** the division of this By-law into sections and the insertion of headings are for the convenience of reference only and are not to affect the construction or interpretation of this By-law.

1.3 **EXTENDED MEANINGS:** Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including without limitation”.

1.4 **STATUTORY REFERENCES:** Each reference to a statute is deemed to be a reference to that statute, and to the regulations made under that statute, as amended or re-enacted from time to time.

- 1.5 **CONFLICT:** If there is a conflict between any provision of this By-law and any provision of another document contemplated by or delivered under or in connection with this By-law, the relevant provision of this By-law is to prevail; provided that if there is a conflict between any provision of this By-law and any provision of the Act, the Act shall prevail.
- 1.6 **APPLICATION OF BY-LAW:** In accordance with the Act, this By-law applies despite any general or special act or any rule of law, including any act or rule of law that requires notice or registration of, or consent to transfer; provided, however, the Corporation may register such documents, instruments and agreements, including certified copies of this By-law, as may be necessary or desirable in order to evidence or confirm such transfers.
- 1.7 **SCHEDULES:** The following Schedules are attached to and form part of the By-law:

Schedule 1.1(8)	-	Excluded Assets
Schedule 1.1(9)	-	Excluded Liabilities
Schedule 3.1(b)	-	Real Property
Schedule 3.1(c)	-	Real Property Leases
Schedule 3.1(f)	-	Personal Property Leases
Schedule 3.1(h)	-	Tangible Personal Property
Schedule 3.1(i)	-	Vehicles
Schedule 3.1(j)	-	Computer Software
Schedule 3.1(k)	-	Contracts
Schedule 3.1(m)	-	Employee Plans
Schedule 3.1(n)	-	Licences
Schedule 3.1(o)	-	Permits
Schedule 3.1(p)	-	Insurance Policies
Schedule 3.1(q)	-	Intellectual Property
Schedule 3.1(r)	-	Transferred Reserves
Schedule 3.2	-	Assumed Liabilities
Schedule 3.3	-	Transferred Employees

**SECTION 2 – INCORPORATION AND ORGANIZATION**

- 2.1 **AUTHORITY:** The incorporation of Atikokan Hydro under the OBCA, to continue the generation, distribution and retailing of electricity and associated business activities of the commission and the Township, and the incorporation of any further Subsidiaries necessary for any such activities, is hereby authorized
- 2.2 **ISSUANCE OF SHARES:** The common shares or other securities issued by Atikokan Hydro shall be issued in the name of the Township.
- 2.3 **ORGANIZATIONAL DOCUMENTATION:** The Township, in its capacity as initial shareholder of Atikokan Hydro, shall execute and deliver such shareholder agreements, directions or declarations necessary or desirable to provide for the organization, management and administration of such Corporation and any further Subsidiaries, in a form approved by Council.

### SECTION 3 – TRANSFER TO CORPORATION

- 3.1 **ASSETS TRANSFERRED TO THE CORPORATION:** Subject to the terms of this By-law and of the Act, all assets, interests, property, accounts, rights and undertakings, registered or unregistered, secured or unsecured, of the Commission and the Township held or used by either of them for the purpose of generating, distributing, or retailing electricity and carrying on associated or related business activities on the Effective Date, other than the Excluded Assets, (collectively, the “Transferred Assets”) shall be transferred and assigned to the Corporation as of the Effective Date, including the following:
- (a) **“Accounts Receivable”** All accounts receivable, notes receivable, loans receivable and other evidences of indebtedness and rights to receive payments relating to the Business at the Effective Date and the security arrangements and collateral securing the repayment and satisfaction of the foregoing.
  - (b) **“Real Property”** All of the Township’s and the Commission’s right, title and interest in and to the real or immovable property as described in Schedule 3.1(b), and all plant, buildings, structures, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) thereon or forming part thereof;
  - (c) **“Real Property Leases”** All of the Township’s and the Commission’s right, title and interest in and to the leased and subleases of real or immovable property described in Schedule 3.1(c) (the “Real Property Leases”) including all purchase options, prepaid rents, security deposits, licences and permits relating thereto and all leasehold improvements thereon;
  - (d) **“Inventories”** All inventories relating to the Business at the Effective Date, including all finished goods, work in progress, raw materials, supplies, spare parts, packaging materials and all other materials and supplies used or consumed in connection with the Business;
  - (e) **“Plant, Building, Fixtures”** All plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) conduits, pipes, poles, wires, rods, cables fibres and other apparatus, devices, appliances and equipment materials works, transformer stations, transformers, vaults, transmission lines, distribution lines, ducts, pipelines, fittings, apparatus and meters relating to the Business, whatsoever situate on property owned by the Commission or the Township, on private property or on public property;
  - (f) **“Personal Property Leases”** All of the Township’s and the Commission’s right title and interest in and to the leases of personal property relating to the Business at the Effective Date including all purchase options, prepaid rents, security deposits, licences and permits relating thereto (“Personal Property Leases”) and including the leases of personal property described in Schedule 3.1(f);
  - (g) **“Prepaid Expenses”** All prepaid expenses relating to the Business at the Effective Date;

- (h) **“Tangible Personal Property”** All machinery and equipment, metering and measurement devices, hot water heaters and appliances, tooling, tools, dies handling equipment, furniture, furnishings, office equipment, spare parts, computer hardware, supplies and accessories and all goods and chattels and other personal property relating to the Business at the Effective Date including the property described in Schedule 3.1(h);
- (i) **“Vehicles”** All motor vehicles relating to the Business at the Effective Date, including all trucks, vans, cars and forklifts and including the motor vehicles described in Schedule 3.1(i);
- (j) **“Computer Software”** All of the Township’s and the Commission’s right, title and interest in and to software and documentation therefor relating to the Business at the Effective Date, including all electronic data processing systems, program specifications, source codes, input data, report layouts, formats, algorithms, record files layouts, diagrams, functional specifications, narrative descriptions, flow charts, operating manuals, training manuals and other related material, and, without limitations, including those items described in Schedule 3.1(j);
- (k) **“Contracts”** All of the Township’s and the Commission’s right, title and interest in and to all contracts and agreements to which the Township or the Commission, as the case may be, is a party relating to the Business at the Effective Date (other than the Personal Property Leases and the Real Property Leases) including the contracts and agreements described in Schedule 3.1(k);
- (l) **“Employee Agreements”** All contracts, agreements and commitments in respect of the Transferred Employees, including all collective agreements and all contracts of employment;
- (m) **“Employee Plans”** All benefit plans, pension plans, savings plans, onus or incentive plans and medical insurance and disability plans relating to the Transferred Employees, including those described in Schedule 3.1(m);
- (n) **“Licences”** All of the Township’s and the Commission’s right, title and interest in and to all licence agreements, distribution agreements, sales representative agreements, service agreements, supply agreements, franchise agreements, computer software agreements and technical service agreements relating to the Business, including those described in Schedule 3.1(n);
- (o) **“Permits”** All permits, licences, registrations and qualifications relating to the Business required by any governmental authority, including those described in Schedule 3.1(o);
- (p) **“Insurance Policies”** The full benefit of all policies of insurance relating to the Business, including those described in Section 3.1(p);
- (q) **“Intellectual Property:** All of the Township’s and the Commission’s right, title and interest in and to:
  - (i) all patents, patent applications and registration, inventions, trade marks, trade names, trade mark applications and registrations, trade name registrations, service marks, designs, copyrights, copyright

applications and registrations and industrial designs, domestic or foreign, owned or used by the Township or the Commission, as the case may be, relating to the Business;

- (ii) all patterns, plans, designs, research data and other proprietary know-how, processes, drawings, technology, unpatented blueprints, flow-sheets, equipment and parts lists and descriptions and related instructions, manuals, data, records and procedures and any and all data owned or used by the Commission, and all licences, agreements and other contracts and commitments relating to any of the foregoing to which the Township or the Commission is a party.
- (iii) all trade secrets, inventions and other intellectual property owned or used by the Township or the Commission, as the case may be, relating to the Business;
- (iv) all computer systems and applications software, including without limitations all documentation relating thereto and the latest revision of all related object and source codes therefor to the extent in the possession and control of the Township or the Commission, owned or used by the Township or the Commission, as the case may be, relating to the Business, and
- (v) the intellectual property described in Schedule 3.1(q);
- (r) **“Transferred Reserves”** The portion of any reserve fund established pursuant to Section 33 of the *Development Charges Act, 1997* that relates to development charges collected in respect of electrical power services, and the portion of any reserve fund referred to in Section 63 of the *Development Charge Act, 1997* that relates to development charges collected in respect of electrical power services, as set out in Schedule 3.1(r) (the “Transferred Reserves”);
- (s) **“Warranties”** The full benefit of all warranties and warranty rights, implied, express or otherwise, against manufacturers, suppliers or sellers which apply to any of the Transferred Assets and the net realizable value of any warranty claims relating to the Transferred Assets outstanding as of the Effective Date.
- (t) **“Books and Records”** All books, records, files and documents relating to the Business, the Assumed Liabilities and the Transferred Employees, including books of account, ledgers, journals, records of accounts receivable and payable, cost and pricing information, inventory records, payroll and employee benefit records, maintenance asset history records, blueprints, drawings, technical papers, business reports, plans and projections, credit information, lists of suppliers and all other correspondence, data and information in any format or media whatsoever; and
- (u) **“Goodwill”** All goodwill of the Commission and the Business, including
  - (i) the exclusive right of any of the Corporations to represent themselves as carrying on a business in continuation of and in succession to the Commission and the right to use any words indicating that their business is so carried on; and

- (ii) all records of sales, customer files, lists, data and other information relating to customers and prospective customers of the Business and supplier lists of or used by the Commission in connection with the Business as at the Effective Date.

- 3.2 **LIABILITIES ASSUMED BY THE CORPORATION:** Subject to the terms of this By-law and the Act, and other than the Excluded Liabilities, as of the Effective Date, the Corporation shall assume all of the debts, liabilities and obligations of (i) the Commission; and (ii) the Township, which have been incurred by the Township in connection with the Business, including those set out in Schedule 3.2, (collectively, the “Assumed Liabilities”).
- 3.3 **EMPLOYEES TRANSFERRED TO THE CORPORATION:** The Employees of the Commission and the Township employed in connection with the Business as set out in Schedule 3.3 (collectively, the “Transferred Employees”) are deemed to be transferred to the Corporation effective as of October 30, 2000. The Transferred Employees shall be employed by the Corporation on terms and conditions which are substantially the same as those upon which such employees were employed by the Commission and/or the Township, as applicable, immediately prior to October 30, 2000 and, without limiting the generality of the foregoing, the Corporation shall be bound by, assume, pay, satisfy, discharge, observe, perform and fulfil all of the agreements, contracts, commitments, benefit plans, pension plans, savings plans, bonus or incentive plans and insurance plans relating to such Transferred Employees in the place and stead of the Commission and the Township to the same extent and with the same effect as if the Corporation were an original party thereto.
- 3.4 **EMPLOYEE STATUS:** The Transferred Employees of the Commission of the Township from and including October 30, 2000 and shall thereupon be Employees of the Corporation from and after such date in accordance with Sections 145 and 147 of the Act.
- 3.5 **USE OF TRANSFERRED RESERVES:** The Transferred Reserves shall be used by the Corporation only to pay for capital costs in respect of electrical power services for which such Transferred Reserves were collected.
- 3.6 **LIABILITY FOR ASSUMED LIABILITIES:** Notwithstanding any other provision of this By-law, the Corporation shall be bound by, assume, pay, satisfy, discharge, observe, perform and fulfil the Assumed Liabilities and shall indemnify and save harmless the Township and the Commission from and against all damages, claims, losses or any other liabilities whatsoever arising out of or from the Assumed Liabilities.
- 3.7 **TRANSFER DOCUMENTATION:** The Township and the Commission shall execute and deliver to the Corporation, where necessary or desirable, in form suitable for registration, recording and filing with such public authorities as may be reasonable required by the Corporation, any bills of sale, assignments, instruments of transfer, assurances, consents and other documents necessary to effectively transfer to the Corporation all the Township's and the Commission's right, title and interest in and to the Transferred Assets.

- 3.8 **TRANSFERS TO SUBSIDIARIES:** For greater certainty, any of the Transferred Assets, the Assumed Liabilities or the Transferred Employees which are transferred to the Corporation pursuant to this By-law may be subsequently transferred to or assumed by any Subsidiary on such terms and for such consideration as the Township and the directors of the transferring Corporation may from time to time approve for purposes of complying with applicable legislation or for such other purposes as the Township and such directors may determine. The Township, the Commission or the Corporation may enter into any agreements or other documents required to evidence such transfers.
- 3.9 **EASEMENTS:** The transfer of any easements comprising the Transferred Assets is subject to the reservation by the Township of an interest in such easements which will permit the Township to continue to use and enjoy the easements in accordance with the terms thereof.
- 3.10 **NON-ASSIGNABILITY OF ASSETS:** If, despite the provision of this By-law and the Act, any of the Transferred Assets shall be found to be non-assignable, or shall only be assignable with the consent or approval of any other third party, the Township or the Commission, as the case may be, shall:
- (a) use all reasonable efforts in co-operation with the assignee Corporation to secure the consent required in connection with those assignments and all cost of obtaining any consent will be paid by such Corporation; and
  - (b) pending the effective transfer thereof, hold all rights or entitlements that the Township or the Commission has thereto in trust for the exclusive benefit of the assignee Corporation, provided that such Corporation shall pay, perform and discharge all obligations arising or accruing with respect thereto during such period.

#### **SECTION 4 - CONSIDERATION AND FINANCING**

- 4.1 **COSTS OF TRANSFER:** All costs and expenses incurred or to be incurred by the Township and the Commission and all taxes incurred or payable in connection with the transfer of the Transferred Assets shall be borne by the Corporation and the Corporation shall reimburse the Township and the Commission on demand for any such costs, expenses or taxes.
- 4.2 **CONSIDERATION OF TRANSFER TO THE CORPORATION:** The Transferred Assets shall be transferred to the Corporation at its respective fair market values on the Effective Date. The fair market value of the Transferred Assets shall be [deemed to be the book value thereof on the Effective Date] as determined in accordance with Section 4.4, as may be adjusted pursuant to Section 7. The consideration payable by the Corporation for the Transferred Assets shall be thereof as follows:
- (a) by the assumption by the Corporation of the Assumed Liabilities; and
  - (b) as to the balance by:
    - (i) the issuance to the Township of Twelve Thousand, Seven Hundred Seventy Eight (12,778) common shares at \$100.00

[one hundred dollars per share] fully paid and non-assessable common shares of the Corporation having an ascribed value equal to fifty (50%) percent of such balance which amount shall be added to the stated capital account for such shares, and

- (ii) the issuance by the Corporation to the Township of a promissory note (the “Promissory Note”) having a principal amount equal to fifty (50%) percent of such balance, such note to bear interest at the rate of one (1%) percent below prime per annum for a term of three (3) years and to be in form and content satisfactory to the Treasurer of the Township. The Promissory Note shall be secured by a Debenture over all assets of the Corporation. The Debenture shall be a First Fixed Charge on all realty of the Corporation and a First Floating Charge on all assets of the Corporation which permit the Corporation to deal with the assets in the ordinary course of business.

- 4.3 **EXCHANGE OF PROMISSORY NOTE:** On or before the maturity date of the Promissory Note, the Township, after consultation with the Corporation, may exchange the said Promissory Note for one or more debt instruments of the Corporation having a form and content satisfactory to the Township as evidenced by the written acceptance by the Treasurer of the Township.
- 4.4 **DETERMINATION OF FAIR MARKET VALUE:** The fair market value of the Transferred Assets and the amount of the Assumed Liabilities transferred to or assumed by the Corporation on the Effective Date shall be determined by the Treasurer of the Township in consultation with the Corporation.
- 4.5 **ALLOCATION OF CONSIDERATION:** The consideration payable by the Corporation shall be allocated among the Transferred Assets as determined by the Treasurer of the Township in consultation with the Corporation, and the Corporation shall, for tax and other purposes, report the transfer of the Transferred Assets in accordance with such determination.

## **SECTION 5 - TRANSFER OF SHARES**

- 5.1 **TRANSFER OF SHARES OF THE CORPORATION:** Subject to an order of the OEB granting leave under Section 86 of the OEBA, the Township shall, and shall be deemed to have transferred as of the Effective Date, all of the common shares in the capital of the Corporation which were issued to the Township under Section 4.2(b)(i) of this By-law, to Atikokan Hydro in consideration of the issuance to the Township of twelve thousand, Seven Hundred Seventy Eight (12,778) common shares at \$100.00 [one hundred dollars per share] in the capital of Atikokan Hydro.
- 5.2 **DEEMED FAIR MARKET VALUE:** The transfer of the common shares of the Corporation to Atikokan Hydro under Section 5.1 shall be deemed to have been effected at the aggregate fair market value of such shares as determined by the Township Treasurer and an amount equal to such aggregate fair market value shall be added to the stated capital account of the share of Atikokan Hydro.

## SECTION 6 - TRANSFER EXEMPTIONS

- 6.1 **EXEMPTION FROM LAND TRANSFER TAX:** The transfer of the Transferred Assets under this By-law is exempt from land transfer tax and retail sales tax under Section 159 of the Act.
- 6.2 **EXEMPTION FROM *BULK SALES ACT*:** The transfer of the Transferred Assets under this By-law is exempt from the provisions of the *Bulk Sales Act (Ontario)* under Section 159 of the Act.
- 6.3 **SECTION 167 ELECTION:** The transfer of the Transferred Assets under this By-law will constitute the transfer of all or substantially all of the assets necessary for the Corporation to carry on the business transferred to it. The Township and the Corporation both being registered for Goods and Services Tax purposes, undertake to sign the election provided for in Section 167 of the *Excise Tax Act* and, among other things, file the election in accordance with the provisions of such section so that the transfer is not subject to Goods and Services Tax.

## SECTION 7 - CONSIDERATION ADJUSTMENT

- 7.1 **ADJUSTMENTS TO FAIR MARKET VALUE:** The fair market value of the Transferred Assets is dependent, among other things, upon the rates that the OEB will allow the Corporation to charge for the distribution of electricity under the OEBA. Therefore, the fair market value of the Transferred Assets and the consideration payable therefor under Section 4.2 may be adjusted as a consequence of any OEB rate order for the year 2000 or subsequent years and any other relevant factors which come to light subsequent to the enactment of this By-law.
- 7.2 **DETERMINATION OF ADJUSTMENTS:** Any adjustments to the fair market value of the Transferred Assets or the consideration payable under this By-law shall be determined by the Treasurer of the Township in consultation with the Corporation, and such adjustments shall have the same effect as if they were made on the Effective Date.


## SECTION 8 - GENERAL

- 8.1 **BINDING NATURE OF BY-LAW AND BENEFIT:** This By-law shall ensure to the benefit of and be binding on the Township, the Commission, the Corporation and its respective successors and permitted assigns and on all other Persons.
- 8.2 **SEVERABILITY:** If any term or provision of this By-law is invalid or *ultra vires* the Township it shall not affect the operations of the remaining terms or provisions of this By-law.
- 8.3 **FURTHER ASSURANCES:** The Township, the Commission and the Corporation shall promptly and duly execute and delivery such further documents and take further action as may be reasonably required to more effectively carry out the intent and purpose of this By-law or to perfect and protect the interest of the Corporation in the Transferred Assets. The Mayor and Clerk of the Township are hereby authorized and directed, for and on behalf of the Township, to do all acts

- 8.4 **AMENDMENT OF BY-LAW:** In the event of any omission or error made in connection with the passage of this By-law, including the unintended transfer or failure to transfer any assets or liabilities of the Commission or the Township, the Township may amend this By-law as required.
9. This By-law shall come into force and take effect upon the final passing thereof.

Enacted and passed this 23<sup>rd</sup> day of OCTOBER, 2000 as witnessed by the Seal of The Corporation of the Township of Atikokan and the hands of its property Officers.

  
Mayor

  
City Clerk

Read a First and Second time this 23<sup>rd</sup> day of OCTOBER, 2000  
Read a Third time and finally passed this 23<sup>rd</sup> day of OCTOBER, 2000.

**SCHEDULE 1.1(8)**  
**Excluded Assets**

**SCHEDULE 1.1(9)**  
**Excluded Liabilities**

### SCHEDULE 3.1(b) Real Property

1. Office including building equipment and fixtures:  
000 005 297-00 0000  
117 Gorrie Street,  
Plan SM 151 Lot 260 & 261  
PCL 14628
2. Service Centre including buildings, equipment and tools:  
000 001 202-00 0000  
731-733 Mackenzie Ave E  
Plan SM186 Lot 9 and 10  
PCL 9-1
3. Land on 3M2 near Highland Park including all lines attachments etc  
000 002 018-02 0000  
PT ML X867 S Freeborn BNG  
PT 1 5 6 & 7 Plan 48R1195  
BNG PT 1 & 2 Plan 48R1202  
PCL 14628
4. Hawthorne Substation including all land and equipment:  
000 005 297-00 0000  
Hawthorne & HWY 622  
Plan SM200 BLK C PCL BLK C-1  
Sec SM200
- 5.. Hogan Substation including all land and equipment  
000 008 176-25 0000  
ML HW727 PT PLAN 48R3526  
PART 1 PCL 25861
6. Caland Substation including all land and equipment  
Station is located on land without a clear title at this time
7. Mackenzie Substation  
Part 4 of Block 6 Parcel 22620  
Plan 48R-1772
8. 3M2  
44 Kv Line that runs from Moose Lake to a point near Proboord via  
Strawhat Lake  
  
All rights and agreements implied in sharing the right of way with Hydro One  
All land use permits  
All associated equipment
9. 3M3  
44 Kv Line that runs from Moose Lake to a point near Proboord via  
Pal Lake  
All rights and agreements implied in sharing the right of way with Hydro One  
All land use permits  
All associated equipment

10. Feeder 1
11. Feeder 2
12. Feeder 3
13. Feeder 4
14. Feeder 5
15. Feeder 6

SCHEDULE 3.1(c)  
Real Property Leases

1. Land Use Permits
2. CNR crossings
3. Easements registered and implied

SCHEDULE 3.1(f)  
Personal Property Leases

SCHEDULE 3.1(h)  
Tangible Personal Property

SCHEDULE 3.1(i)  
Vehicles

1. 9076
2. 9081
3. 9082
4. 9083
5. 9085
6. 9084
7. 9086
8. 9807
9. 9088
10. Trailers and other items used in the day to day business of moving necessary equipment and people

SCHEDULE 3.1(j)  
Computer Software

1. All present software in use and in commissioning.

SCHEDULE 3.1(k)  
Contracts

1. Snow Removal
2. Fuel
3. Cleaning
4. Postage
5. Maintenance
6. Employee agreement

SCHEDULE 3.1(m)  
Employee Plans

1. MEA Benefits
2. Omers
3. Life Insurance

**SCHEDULE 3.1(n)**  
**Licences**

1. Distribution License

SCHEDULE 3.1(o)  
Permits

1. Land Use Permits

**SCHEDULE 3.1(p)**  
**Insurance Policies**

1. MEARIE
2. Boiler and Equipment
3. Vehicle

SCHEDULE 3.1(q)  
Intellectual Property

SCHEDULE 3.1(r)  
Transferred Reserves

1. Only current bank account

## SCHEDULE 3.2

### Assumed Liabilities

1. As per financial statement to be provided in accordance with normal Utility financial practices

### SCHEDULE 3.3

#### Transferred Employees

1. Manager to be transferred as CEO of Atikokan Hydro Inc.
2. All current full time employees as covered under the present collective agreement.
3. The present collective agreement to remain as part of Atikokan Hydro Inc.