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5 Cost of Capital and Capital Structure

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1 **OVERVIEW**

- 2 The purpose of this evidence is to summarize the method and cost of financing capital
3 requirements for the 2016 Test Year.

1 **CAPITAL STRUCTURE (2.5.1)**

2 HHHI has a current deemed capitalization structure of 56% long term debt with a long term debt
3 cost rate of 4.21%; 4% short term debt with a short term debt cost rate of 2.08%; and 40%
4 common equity with a return of 8.82% as approved in the 2012 Cost of Service (“COS”) rate
5 decision, Board proceeding EB-2011-0271.

6 HHHI has prepared this 2016 COS Application in accordance with the Board’s guidelines
7 provided in the *Report of the Board on Cost of Capital for Ontario’s Regulated Utilities* (the
8 “2010 Report”) issued on December 11, 2010. For the purposes of preparing this Application,
9 HHHI has used the cost of capital parameters issued by the Board on November 20, 2014. HHHI
10 will update its cost of capital parameters to reflect future Board issued cost of capital parameters
11 for rates with effective dates in 2016 prior to the issuance of the Board’s decision in this
12 Application. HHHI proposes no deviation from the Board’s cost of capital methodology.

1 **COST OF CAPITAL (2.5.2)**

2 **Return on Equity**

3 As outlined above, for the purposes of preparing this Application HHHI has used the cost of
4 capital parameters issued by the Board on November 25, 2014 for 2015 COS rate applications
5 which reflects a return on equity of 9.30%. HHHI acknowledges that the Board will issue revised
6 cost of capital parameters in November 2015 for rates with effective dates in 2016.

7 HHHI will update the return on equity when the Board issues the updated cost of capital
8 parameters, prior to the issuance of the Board's decision for this Application.

1 **Cost of Debt**

2 **Long Term Debt**

3 HHHI is requesting a return of 3.20% on long term debt for the 2016 Test Year. This rate of
4 return represents the weighted average cost of long term debt for a promissory note with the
5 Corporation of the Town of Halton Hills and six (6) term loan agreements with TD Commercial
6 Banking.

7 HHHI has a promissory note with The Corporation of The Town of Halton Hills, its municipal
8 shareholder, in the amount of \$16,141,970. The promissory note was renewed on December 4,
9 2014 with a maturity date of December 31, 2020. The promissory note is classified as affiliate
10 debt. A copy of the promissory note is included as Appendix 5-A. In accordance with the 2010
11 Report, HHHI is requesting a return on the portion of long term debt that the promissory
12 represents for the 2016 Test Year that reflects the Board's deemed long term debt rate. For the
13 purposes of preparing this Application, HHHI has used the deemed long term debt rate of 4.77%
14 for cost of capital parameters issued by the Board on November 20, 2014 for 2015 COS rate
15 applications. HHHI acknowledges that the Board will issue revised cost of capital parameters in
16 November 2015 for rates with effective dates in 2016. HHHI will update the deemed long term
17 rate when the Board issues the updated cost of capital parameters and prior to the issuance of the
18 Board's decision for its Application.

19 At present, HHHI has entered into four (4) separate term loan financing agreements with TD
20 Commercial Banking. Each of the term loan amortization schedules follow respectively in
21 Appendices 5-B through 5-E (inclusive).

22 **Short Term Debt**

23 For the purposes of preparing this Application, HHHI has used the deemed short term debt rate
24 of 2.16% for cost of capital parameters issued by the Board on November 20, 2014 for 2015

- 1 COS rate applications. HHHI acknowledges that the Board will issue revised cost of capital
- 2 parameters in November 2015 for rates with effective dates in 2016.

- 3 HHHI will update the deemed short term rate when the Board issues the updated cost of capital
- 4 parameters, prior to the issuance of the Board's decision for this Application.

1 **Capital Structure and Cost of Capital**

2 Tables 5-1 and 5-2 demonstrate the elements of the capital structure and cost of capital for the
 3 2012 Board-approved (EB-2011-0271) and 2016 Test Years, respectively. These tables are also
 4 included the live Excel version of the 2016 Board Appendix 2-OA, submitted to the Board
 5 electronically as part of this Application.

6 For 2016, a 5.6% weighted average cost of capital is applied to the rate base of \$62,148,062
 7 (Exhibit 2, Tab 1, Schedule 1), to determine the regulated return on capital of \$3,477,715. This
 8 regulated return on capital is included in the proposed revenue requirement.

9 **Table 5-1: Cost of Capital and Capital Structure – 2012 Board Approved Year**

| Year: 2012 Board Approved Year | | | | | | |
|--------------------------------|---------------------|----------------------|---------------------|--------------|--------|--------------------|
| Line No. | Particulars | Capitalization Ratio | | Cost Rate | Return | |
| | | (%) | (\$) | (%) | (\$) | |
| | <u>Debt</u> | | | | | |
| 1 | Long-term Debt | 56.00% | \$23,760,243 | 4.21% | | \$1,000,306 |
| 2 | Short-term Debt | 4.00% (1) | \$1,697,160 | 2.08% | | \$35,301 |
| 3 | Total Debt | <u>60.0%</u> | <u>\$25,457,403</u> | <u>4.07%</u> | | <u>\$1,035,607</u> |
| | <u>Equity</u> | | | | | |
| 4 | Common Equity | 40.00% | \$16,971,602 | 8.82% | | \$1,496,895 |
| 5 | Preferred Shares | | \$ - | | | \$ - |
| 6 | Total Equity | <u>40.0%</u> | <u>\$16,971,602</u> | <u>8.82%</u> | | <u>\$1,496,895</u> |
| 7 | Total | 100.0% | \$42,429,005 | 5.97% | | \$2,532,502 |

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Table 5-2: Cost of Capital and Capital Structure – 2016 Test Year

| Year: 2016 Test Year | | | | | | |
|----------------------|----------------------|----------------------|---------------------|--------------|--------|--------------------|
| Line No. | Particulars | Capitalization Ratio | | Cost Rate | Return | |
| | | (%) | (\$) | (%) | | (\$) |
| | <u>Debt</u> | | | | | |
| 1 | Long-term Debt | 56.00% | \$34,802,915 | 3.20% | | \$1,112,111 |
| 2 | Short-term Debt | 4.00% | (1) | 2.16% | | \$53,696 |
| 3 | Total Debt | <u>60.0%</u> | <u>\$37,288,837</u> | <u>3.13%</u> | | <u>\$1,165,807</u> |
| | <u>Equity</u> | | | | | |
| 4 | Common Equity | 40.00% | \$24,859,225 | 9.30% | | \$2,311,908 |
| 5 | Preferred Shares | | \$ - | | | \$ - |
| 6 | Total Equity | <u>40.0%</u> | <u>\$24,859,225</u> | <u>9.30%</u> | | <u>\$2,311,908</u> |
| 7 | Total | 100.0% | \$62,148,062 | 5.60% | | \$3,477,715 |

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1 **Weighted Average Cost of Long-Term Debt**

2 Tables 5-3 through 5-8 (inclusive) lists HHHI's long term debt instruments and weighted
 3 average cost of long term debt from 2012 through the 2016 Test Year. These tables are also
 4 included the live Excel version of the 2016 Board Appendix 2-OB, submitted to the Board
 5 electronically as part of this Application.

6 **Table 5-3: 2012 (Board Approved) Debt Instruments**

| Year: 2012 (Board Approved) | | | | | | | | | | |
|-----------------------------|-----------------|---|--------------------------------|------------------------|------------|--------------|----------------|----------|---------------|-----------------------------|
| Row | Description | Lender | Affiliated or Third-Party Debt | Fixed or Variable Rate | Start Date | Term (years) | Principal (\$) | Rate (%) | Interest (\$) | Additional Comments, if any |
| 1 | Promissory Note | The Corporation of the Town of Halton Hills | Affiliated | Fixed Rate | | | 16,141,970 | 4.21% | \$ 679,577 | |
| 2 | | | | | | | | | \$ - | |
| 3 | | | | | | | | | \$ - | |
| 4 | | | | | | | | | \$ - | |
| 5 | | | | | | | | | \$ - | |
| 6 | | | | | | | | | \$ - | |
| 7 | | | | | | | | | \$ - | |
| | | | | | | | | | | |
| Total | | | | | | | 16,141,970 | 4.21% | \$ 679,577 | |

8 **Table 5-4: 2012 Actual Debt Instruments**

| Year: 2012 Actual | | | | | | | | | | |
|-------------------|-----------------------|---|--------------------------------|------------------------|------------|--------------|----------------|----------|---------------|-----------------------------|
| Row | Description | Lender | Affiliated or Third-Party Debt | Fixed or Variable Rate | Start Date | Term (years) | Principal (\$) | Rate (%) | Interest (\$) | Additional Comments, if any |
| 1 | Promissory Note | The Corporation of the Town of Halton Hills | Affiliated | Fixed Rate | | | 16,141,970 | 4.21% | \$ 679,577 | |
| 2 | Smart Meter Term Loan | TD Bank | Third-Party | Fixed Rate | 30-Aug-11 | 15 | 3,694,377 | 2.17% | \$ 27,147 | |
| 3 | | | | | | | | | \$ - | |
| 4 | | | | | | | | | \$ - | |
| 5 | | | | | | | | | \$ - | |
| 6 | | | | | | | | | \$ - | |
| 7 | | | | | | | | | \$ - | |
| | | | | | | | | | | |
| Total | | | | | | | 19,836,347 | 3.56% | \$ 706,724 | |

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Table 5-5: 2013 Actual Debt Instruments

| Year: 2013 Actual | | | | | | | | | | |
|-------------------|-----------------------|---|--------------------------------|------------------------|------------|--------------|----------------|----------|---------------|-----------------------------|
| Row | Description | Lender | Affiliated or Third-Party Debt | Fixed or Variable Rate | Start Date | Term (years) | Principal (\$) | Rate (%) | Interest (\$) | Additional Comments, if any |
| 1 | Promissory Note | The Corporation of the Town of Halton Hills | Affiliated | Fixed Rate | | | 16,141,970 | 4.21% | \$ 679,577 | |
| 2 | Smart Meter Term Loan | TD Bank | Third-Party | Fixed Rate | 30-Aug-11 | 14 | 3,458,734 | 2.16% | \$ 76,876 | |
| 3 | Capital Term Loan #1 | TD Bank | Third-Party | Fixed Rate | 22-Feb-13 | 15 | 1,932,011 | 2.07% | \$ 33,838 | |
| 4 | Capital Term Loan #2 | TD Bank | Third-Party | Fixed Rate | 15-Aug-13 | 15 | 2,466,573 | 2.15% | \$ 17,877 | |
| 5 | | | | | | | | | \$ - | |
| 6 | | | | | | | | | \$ - | |
| 7 | | | | | | | | | \$ - | |
| Total | | | | | | | 23,999,288 | 3.37% | \$ 808,167 | |

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Table 5-6: 2014 Actual Debt Instruments

| Year: 2014 Actual | | | | | | | | | | |
|-------------------|-----------------------|---|--------------------------------|------------------------|------------|--------------|----------------|----------|---------------|-----------------------------|
| Row | Description | Lender | Affiliated or Third-Party Debt | Fixed or Variable Rate | Start Date | Term (years) | Principal (\$) | Rate (%) | Interest (\$) | Additional Comments, if any |
| 1 | Promissory Note | The Corporation of the Town of Halton Hills | Affiliated | Fixed Rate | | | 16,141,970 | 4.21% | \$ 679,576.94 | |
| 2 | Smart Meter Term Loan | TD Bank | Third-Party | Fixed Rate | 30-Aug-11 | 13 | 3,219,743 | 2.16% | \$ 71,952.00 | |
| 3 | Capital Term Loan #1 | TD Bank | Third-Party | Fixed Rate | 22-Feb-13 | 14 | 1,849,847 | 2.16% | \$ 52,029.00 | |
| 4 | Capital Term Loan #2 | TD Bank | Third-Party | Fixed Rate | 15-Aug-13 | 14 | 2,364,692 | 2.15% | \$ 40,625.00 | |
| 5 | Capital Term Loan #3 | TD Bank | Third-Party | Fixed Rate | 15-Aug-14 | 15 | 2,959,930 | 2.16% | \$ 21,552.00 | |
| 6 | | | | | | | | | \$ - | |
| 7 | | | | | | | | | \$ - | |
| Total | | | | | | | 26,536,182 | 3.26% | \$ 865,734.94 | |

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Table 5-7: 2015 Bridge Year Debt Instruments

| Year: 2015 Bridge Year | | | | | | | | | | |
|------------------------|-----------------------|---|--------------------------------|------------------------|------------|--------------|----------------|----------|---------------|------------------------------|
| Row | Description | Lender | Affiliated or Third-Party Debt | Fixed or Variable Rate | Start Date | Term (years) | Principal (\$) | Rate (%) | Interest (\$) | Additional Comments, if any |
| 1 | Promissory Note | The Corporation of the Town of Halton Hills | Affiliated | Fixed Rate | | | 16,141,970 | 4.21% | \$ 679,577.00 | |
| 2 | Smart Meter Term Loan | TD Bank | Third-Party | Fixed Rate | 30-Aug-11 | 12 | 2,974,401 | 2.16% | \$ 67,120.00 | as per amortization schedule |
| 3 | Capital Term Loan #1 | TD Bank | Third-Party | Fixed Rate | 22-Feb-13 | 13 | 1,765,799 | 2.16% | \$ 39,126.00 | as per amortization schedule |
| 4 | Capital Term Loan #2 | TD Bank | Third-Party | Fixed Rate | 15-Aug-13 | 13 | 2,251,900 | 2.15% | \$ 49,817.00 | as per amortization schedule |
| 5 | Capital Term Loan #3 | TD Bank | Third-Party | Fixed Rate | 15-Aug-14 | 14 | 2,837,793 | 2.16% | \$ 62,728.00 | as per amortization schedule |
| 6 | Capital Loan - 2015 | TD Bank | Third-Party | Fixed Rate | 31-Aug-15 | 15 | 4,200,000 | 2.23% | \$ 31,306.00 | Two Year Term Rate |
| 7 | | | | | | | | | \$ - | |
| Total | | | | | | | 30,171,863 | 3.08% | \$ 929,674.00 | |

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1 **PROFIT OR LOSS ON REDEMPTION OF DEBT OR PREFERRED SHARES**

2 There is no profit or loss on redemption of debt or preferred shares.

- 1 **NOT-FOR-PROFIT CORPORATIONS (2.5.3)**
- 2 A Reserve Requirement is not applicable because HHHI is a for-profit corporation.

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APPENDIX 5-A

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**PROMISSORY NOTE WITH THE CORPORATION OF THE
TOWN OF HALTON HILLS**

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APPENDIX – 5-A

Promissory Note with The Corporation of the Town of Halton Hills

PROMISSORY NOTE

Amount: \$16,141,970.52

Due: December 31st, 2020

For value received, the undersigned, HALTON HILLS HYDRO INC., having offices at 43 Alice Street, Halton Hills (Acton), Ontario does hereby promise to pay to THE CORPORATION OF THE TOWN OF HALTON HILLS, or order, at the Town of Halton Hills, in the Province of Ontario, the sum of Sixteen Million One Hundred Forty-One Thousand Nine Hundred Seventy Canadian Dollars and Fifty-Two Canadian Cents (CDN \$16,141,970.52) on the last day of December, 2020.

This Promissory Note has been issued and delivered pursuant and subject to the provisions of By-laws No. 00-100 and 01-130 of The Corporation of the Town of Halton Hills upon maturity, and in replacement of the promissory note dated December 31st, 2015.

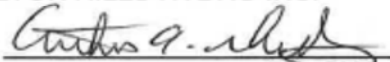
Interest shall be payable by Halton Hills Hydro Inc. to The Corporation of the Town of Halton Hills, or assign, at a rate of interest per annum, compounded annually not in advance, prescribed, from time to time, by the Treasurer of The Corporation of the Town of Halton Hills in accordance with the provisions of By-laws No. 00-100 and 01-130 of The Corporation of the Town of Halton Hills.

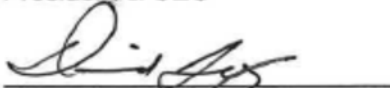
This Promissory Note may, at any time, be prepaid in full or, from time to time, in part, without notice, bonus or penalty.

Presentment, notice of dishonor, protest and notice of protest are hereby waived and the undersigned does hereby agree to remain as fully liable as if presentation, notice of dishonor, protest and notice of protest were duly made and given.

Dated and Delivered at the Town of Halton Hills, in the Province of Ontario, Canada, this 2 day of December, 2014.

HALTON HILLS HYDRO INC.

By: 
Arthur A. Skidmore, CPA, CMA
President & CEO

By: 
David J. Smelsky, CPA, CMA
Chief Financial Officer

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APPENDIX 5-B

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SMART METER LOAN AMORTIZATION SCHEDULE

APPENDIX – 5-B

Smart Meter – Loan Amortization Schedule



COMMERCIAL LOAN AMORTIZATION SCHEDULE

| | Enter values |
|-------------------------------|------------------|
| Loan amount | \$ 3,300,676.06 |
| Annual Interest Rate | 2.16 % |
| Monthly Equivalent Rate | 2.16 % |
| Rate Term in months | 36 |
| Amortization period in months | 144 |
| Number of payments per year | 12 |
| Start Date | 1-Sep-14 |
| First Payment Date | 30-Sep-14 |
| Rate Term Maturity Date | December 31 2015 |

SMART METER LOAN

| | |
|---------------|-----------------|
| Client Name: | Halton Hills |
| Sales Branch: | |
| Loan Number: | 2065-9002879-31 |

| Loan summary | |
|------------------------------|-----------------|
| Scheduled payment actual | \$ 26,038.49 |
| Payment frequency | monthly |
| Scheduled number of payments | 36 |
| Total interest | \$ 190,383.80 |
| Balance at End of Rate Term | \$ 2,553,674.22 |

| PyNo | Payment Date | Beginning Balance | Scheduled Payment | Principal | Interest | Ending Balance | Cumulative Interest | Days |
|------|--------------|-------------------|-------------------|-----------|----------|----------------|---------------------|------|
| 1 | 30/09/2014 | 3,300,676.06 | 26,038.49 | 20,373.99 | 5,664.50 | 3,280,302.07 | 5,664.50 | 29 |
| 2 | 30/10/2014 | 3,280,302.07 | 26,038.49 | 20,214.83 | 5,823.66 | 3,260,087.24 | 11,488.16 | 30 |
| 3 | 30/11/2014 | 3,260,087.24 | 26,038.49 | 20,057.79 | 5,980.70 | 3,240,029.45 | 17,468.86 | 31 |
| 4 | 30/12/2014 | 3,240,029.45 | 26,038.49 | 20,286.33 | 5,752.16 | 3,219,743.12 | 23,221.02 | 30 |
| 5 | 30/01/2015 | 3,219,743.12 | 26,038.49 | 20,131.81 | 5,906.68 | 3,199,611.32 | 29,127.71 | 31 |
| 6 | 28/02/2015 | 3,199,611.32 | 26,038.49 | 20,547.43 | 5,491.06 | 3,179,063.89 | 34,618.77 | 29 |
| 7 | 30/03/2015 | 3,179,063.89 | 26,038.49 | 20,394.56 | 5,643.93 | 3,158,669.32 | 40,262.69 | 30 |
| 8 | 30/04/2015 | 3,158,669.32 | 26,038.49 | 20,243.85 | 5,794.64 | 3,138,425.48 | 46,057.34 | 31 |
| 9 | 30/05/2015 | 3,138,425.48 | 26,038.49 | 20,466.71 | 5,571.78 | 3,117,958.77 | 51,629.12 | 30 |
| 10 | 30/06/2015 | 3,117,958.77 | 26,038.49 | 20,318.53 | 5,719.96 | 3,097,640.24 | 57,349.08 | 31 |
| 11 | 30/07/2015 | 3,097,640.24 | 26,038.49 | 20,539.12 | 5,499.37 | 3,077,101.12 | 62,848.45 | 30 |
| 12 | 30/08/2015 | 3,077,101.12 | 26,038.49 | 20,393.48 | 5,645.01 | 3,056,707.63 | 68,493.45 | 31 |
| 13 | 30/09/2015 | 3,056,707.63 | 26,038.49 | 20,430.90 | 5,607.59 | 3,036,276.74 | 74,101.05 | 31 |
| 14 | 30/10/2015 | 3,036,276.74 | 26,038.49 | 20,648.06 | 5,390.43 | 3,015,628.68 | 79,491.48 | 30 |
| 15 | 30/11/2015 | 3,015,628.68 | 26,038.49 | 20,506.26 | 5,532.23 | 2,995,122.42 | 85,023.71 | 31 |
| 16 | 30/12/2015 | 2,995,122.42 | 26,038.49 | 20,721.12 | 5,317.37 | 2,974,401.30 | 90,341.08 | 30 |
| 17 | 30/01/2016 | 2,974,401.30 | 26,038.49 | 20,581.89 | 5,456.60 | 2,953,819.41 | 95,797.68 | 31 |
| 18 | 29/02/2016 | 2,953,819.41 | 26,038.49 | 20,794.45 | 5,244.04 | 2,933,024.96 | 101,041.72 | 30 |
| 19 | 30/03/2016 | 2,933,024.96 | 26,038.49 | 20,831.37 | 5,207.12 | 2,912,193.59 | 106,248.84 | 30 |
| 20 | 30/04/2016 | 2,912,193.59 | 26,038.49 | 20,696.01 | 5,342.48 | 2,891,497.58 | 111,591.32 | 31 |
| 21 | 30/05/2016 | 2,891,497.58 | 26,038.49 | 20,905.09 | 5,133.40 | 2,870,592.49 | 116,724.72 | 30 |
| 22 | 30/06/2016 | 2,870,592.49 | 26,038.49 | 20,772.33 | 5,266.16 | 2,849,820.16 | 121,990.88 | 31 |
| 23 | 30/07/2016 | 2,849,820.16 | 26,038.49 | 20,979.08 | 5,059.41 | 2,828,841.08 | 127,050.29 | 30 |
| 24 | 30/08/2016 | 2,828,841.08 | 26,038.49 | 20,848.92 | 5,189.57 | 2,807,992.15 | 132,239.85 | 31 |
| 25 | 30/09/2016 | 2,807,992.15 | 26,038.49 | 20,887.17 | 5,151.32 | 2,787,104.98 | 137,391.17 | 31 |
| 26 | 30/10/2016 | 2,787,104.98 | 26,038.49 | 21,090.42 | 4,948.07 | 2,766,014.56 | 142,339.24 | 30 |
| 27 | 30/11/2016 | 2,766,014.56 | 26,038.49 | 20,964.18 | 5,074.31 | 2,745,050.38 | 147,413.55 | 31 |
| 28 | 30/12/2016 | 2,745,050.38 | 26,038.49 | 21,165.09 | 4,873.40 | 2,723,885.30 | 152,286.96 | 30 |
| 29 | 30/01/2017 | 2,723,885.30 | 26,038.49 | 21,041.47 | 4,997.02 | 2,702,843.83 | 157,283.98 | 31 |
| 30 | 28/02/2017 | 2,702,843.83 | 26,038.49 | 21,399.97 | 4,638.52 | 2,681,443.86 | 161,922.50 | 29 |
| 31 | 30/03/2017 | 2,681,443.86 | 26,038.49 | 21,278.01 | 4,760.48 | 2,660,165.85 | 166,692.98 | 30 |
| 32 | 30/04/2017 | 2,660,165.85 | 26,038.49 | 21,158.36 | 4,880.13 | 2,639,007.49 | 171,563.11 | 31 |
| 33 | 30/05/2017 | 2,639,007.49 | 26,038.49 | 21,353.35 | 4,685.14 | 2,617,654.15 | 176,248.26 | 30 |
| 34 | 30/06/2017 | 2,617,654.15 | 26,038.49 | 21,236.35 | 4,802.14 | 2,596,417.80 | 181,050.40 | 31 |
| 35 | 30/07/2017 | 2,596,417.80 | 26,038.49 | 21,428.96 | 4,609.53 | 2,574,988.84 | 185,659.93 | 30 |
| 36 | 30/08/2017 | 2,574,988.84 | 26,038.49 | 21,314.62 | 4,723.87 | 2,553,674.22 | 190,383.80 | 31 |

67,124.05
61,945.88

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APPENDIX 5-C

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CAPITAL TERM LOAN #1 AMORTIZATION SCHEDULE

APPENDIX – 5-C

Capital Term Loan #1 – Loan Amortization Schedule



CAPITAL TERM LOAN #1

COMMERCIAL LOAN AMORTIZATION SCHEDULE

| Enter values | |
|-------------------------------|-------------------|
| Loan amount | \$ 1,918,647.43 |
| Annual Interest Rate | 2.16 % |
| Monthly Equivalent Rate | 2.16 % |
| Rate Term in months | 36 |
| Amortization period in months | 228 |
| Number of payments per year | 12 |
| Start Date | 22-Feb-14 |
| First Payment Date | 22-Mar-14 |
| Rate Term Maturity Date | February 22, 2015 |

| | |
|------------------------------|--------------------|
| Client Name: | Halton Hills Hydro |
| Sales Branch: | |
| Loan Number: | 2065-9002879-02 |
| Loan summary | |
| Scheduled payment actual | \$ 10,264.48 |
| Payment frequency | monthly |
| Scheduled number of payments | 36 |
| Total interest | \$ 116,519.44 |
| Balance at End of Rate Term | \$ 1,665,645.59 |

| PytNo | Payment Date | Beginning Balance | Scheduled Payment | Principal | Interest | Ending Balance | Cumulative Interest | Days |
|-------|--------------|-------------------|-------------------|-----------|----------|----------------|---------------------|------|
| 1 | 22/03/2014 | 1,918,647.43 | 10,264.48 | 7,085.31 | 3,179.17 | 1,911,562.12 | 3,179.17 | 28 |
| 2 | 22/04/2014 | 1,911,562.12 | 10,264.48 | 6,757.68 | 3,506.80 | 1,904,804.44 | 6,685.97 | 31 |
| 3 | 22/05/2014 | 1,904,804.44 | 10,264.48 | 6,882.80 | 3,381.68 | 1,897,921.64 | 10,067.65 | 30 |
| 4 | 22/06/2014 | 1,897,921.64 | 10,264.48 | 6,782.70 | 3,481.78 | 1,891,138.94 | 13,549.43 | 31 |
| 5 | 22/07/2014 | 1,891,138.94 | 10,264.48 | 6,907.06 | 3,357.42 | 1,884,231.88 | 16,906.85 | 30 |
| 6 | 22/08/2014 | 1,884,231.88 | 10,264.48 | 6,807.82 | 3,456.66 | 1,877,424.06 | 20,363.51 | 31 |
| 7 | 22/09/2014 | 1,877,424.06 | 10,264.48 | 6,820.31 | 3,444.17 | 1,870,603.75 | 23,807.68 | 31 |
| 8 | 22/10/2014 | 1,870,603.75 | 10,264.48 | 6,943.52 | 3,320.96 | 1,863,660.24 | 27,128.65 | 30 |
| 9 | 22/11/2014 | 1,863,660.24 | 10,264.48 | 6,845.56 | 3,418.92 | 1,856,814.68 | 30,547.57 | 31 |
| 10 | 22/12/2014 | 1,856,814.68 | 10,264.48 | 6,968.00 | 3,296.48 | 1,849,846.68 | 33,844.05 | 30 |
| 11 | 22/01/2015 | 1,849,846.68 | 10,264.48 | 6,870.90 | 3,393.58 | 1,842,975.78 | 37,237.63 | 31 |
| 12 | 22/02/2015 | 1,842,975.78 | 10,264.48 | 6,883.50 | 3,380.98 | 1,836,092.28 | 40,618.61 | 31 |
| 13 | 22/03/2015 | 1,836,092.28 | 10,264.48 | 7,222.10 | 3,042.38 | 1,828,870.18 | 43,660.99 | 28 |
| 14 | 22/04/2015 | 1,828,870.18 | 10,264.48 | 6,909.38 | 3,355.10 | 1,821,960.80 | 47,016.09 | 31 |
| 15 | 22/05/2015 | 1,821,960.80 | 10,264.48 | 7,029.88 | 3,234.60 | 1,814,930.92 | 50,250.69 | 30 |
| 16 | 22/06/2015 | 1,814,930.92 | 10,264.48 | 6,934.95 | 3,329.53 | 1,807,995.97 | 53,580.22 | 31 |
| 17 | 22/07/2015 | 1,807,995.97 | 10,264.48 | 7,054.67 | 3,209.81 | 1,800,941.30 | 56,790.03 | 30 |
| 18 | 22/08/2015 | 1,800,941.30 | 10,264.48 | 6,960.62 | 3,303.86 | 1,793,980.69 | 60,093.90 | 31 |
| 19 | 22/09/2015 | 1,793,980.69 | 10,264.48 | 6,973.39 | 3,291.09 | 1,787,007.30 | 63,384.99 | 31 |
| 20 | 22/10/2015 | 1,787,007.30 | 10,264.48 | 7,091.93 | 3,172.55 | 1,779,915.37 | 66,557.54 | 30 |
| 21 | 22/11/2015 | 1,779,915.37 | 10,264.48 | 6,999.19 | 3,265.29 | 1,772,916.18 | 69,822.83 | 31 |
| 22 | 22/12/2015 | 1,772,916.18 | 10,264.48 | 7,116.95 | 3,147.53 | 1,765,799.24 | 72,970.37 | 30 |
| 23 | 22/01/2016 | 1,765,799.24 | 10,264.48 | 7,025.09 | 3,239.39 | 1,758,774.15 | 76,209.76 | 31 |
| 24 | 22/02/2016 | 1,758,774.15 | 10,264.48 | 7,037.97 | 3,226.51 | 1,751,736.18 | 79,436.27 | 31 |
| 25 | 22/03/2016 | 1,751,736.18 | 10,264.48 | 7,258.21 | 3,006.27 | 1,744,477.97 | 82,442.54 | 29 |
| 26 | 22/04/2016 | 1,744,477.97 | 10,264.48 | 7,064.20 | 3,200.28 | 1,737,413.77 | 85,642.82 | 31 |
| 27 | 22/05/2016 | 1,737,413.77 | 10,264.48 | 7,179.98 | 3,084.50 | 1,730,233.79 | 88,727.32 | 30 |
| 28 | 22/06/2016 | 1,730,233.79 | 10,264.48 | 7,090.33 | 3,174.15 | 1,723,143.46 | 91,901.47 | 31 |
| 29 | 22/07/2016 | 1,723,143.46 | 10,264.48 | 7,205.31 | 3,059.17 | 1,715,938.15 | 94,960.64 | 30 |
| 30 | 22/08/2016 | 1,715,938.15 | 10,264.48 | 7,116.56 | 3,147.92 | 1,708,821.59 | 98,108.56 | 31 |
| 31 | 22/09/2016 | 1,708,821.59 | 10,264.48 | 7,129.61 | 3,134.87 | 1,701,691.98 | 101,243.43 | 31 |
| 32 | 22/10/2016 | 1,701,691.98 | 10,264.48 | 7,243.39 | 3,021.09 | 1,694,448.59 | 104,264.52 | 30 |
| 33 | 22/11/2016 | 1,694,448.59 | 10,264.48 | 7,155.98 | 3,108.50 | 1,687,292.61 | 107,373.02 | 31 |
| 34 | 22/12/2016 | 1,687,292.61 | 10,264.48 | 7,268.96 | 2,995.52 | 1,680,023.65 | 110,368.54 | 30 |
| 35 | 22/01/2017 | 1,680,023.65 | 10,264.48 | 7,182.44 | 3,082.04 | 1,672,841.21 | 113,450.58 | 31 |
| 36 | 22/02/2017 | 1,672,841.21 | 10,264.48 | 7,195.62 | 3,068.86 | 1,665,645.59 | 116,519.44 | 31 |

37,126.30
 37,398.17

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APPENDIX 5-D

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CAPITAL TERM LOAN #2 AMORTIZATION SCHEDULE

APPENDIX – 5-D

Capital Term Loan #2 – Loan Amortization Schedule



COMMERCIAL LOAN AMORTIZATION SCHEDULE

| Enter values | |
|-------------------------------|-----------------|
| Loan amount | \$ 2,500,000.00 |
| Annual Interest Rate | 2.15 % |
| Monthly Equivalent Rate | 2.15 % |
| Rate Term in months | 72 |
| Amortization period in months | 240 |
| Number of payments per year | 12 |
| Start Date | 15-Aug-13 |
| First Payment Date | 15-Sep-13 |
| Rate Term Maturity Date | August 15, 2015 |

| | |
|------------------------------|-----------------|
| Client Name: | Halton Hills |
| Sales Branch: | |
| Loan Number: | |
| Loan summary | |
| Scheduled payment actual | \$ 12,825.89 |
| Payment frequency | monthly |
| Scheduled number of payments | 72 |
| Total Interest | \$ 282,776.95 |
| Balance at End of Rate Term | \$ 1,859,312.87 |

CAPITAL TERM LOAN #2

| PytNo | Payment Date | Beginning Balance | Scheduled Payment | Principal | Interest | Ending Balance | Cumulative Interest | Days |
|-------|--------------|-------------------|-------------------|-----------|----------|----------------|---------------------|------|
| 1 | 15/09/2013 | 2,500,000.00 | 12,825.89 | 8,260.82 | 4,565.07 | 2,491,739.18 | 4,565.07 | 31 |
| 2 | 15/10/2013 | 2,491,739.18 | 12,825.89 | 8,422.68 | 4,403.21 | 2,483,316.50 | 8,968.28 | 30 |
| 3 | 15/11/2013 | 2,483,316.50 | 12,825.89 | 8,291.29 | 4,534.60 | 2,475,025.21 | 13,502.88 | 31 |
| 4 | 15/12/2013 | 2,475,025.21 | 12,825.89 | 8,452.22 | 4,373.67 | 2,466,573.00 | 17,876.56 | 30 |
| 5 | 15/01/2014 | 2,466,573.00 | 12,825.89 | 8,321.86 | 4,504.03 | 2,458,251.14 | 22,380.59 | 31 |
| 6 | 15/02/2014 | 2,458,251.14 | 12,825.89 | 8,337.06 | 4,488.83 | 2,449,914.08 | 26,869.42 | 31 |
| 7 | 15/03/2014 | 2,449,914.08 | 12,825.89 | 8,785.21 | 4,040.68 | 2,441,128.87 | 30,910.10 | 28 |
| 8 | 15/04/2014 | 2,441,128.87 | 12,825.89 | 8,368.32 | 4,457.57 | 2,432,760.55 | 35,367.67 | 31 |
| 9 | 15/05/2014 | 2,432,760.55 | 12,825.89 | 8,526.90 | 4,298.99 | 2,424,233.65 | 39,666.66 | 30 |
| 10 | 15/06/2014 | 2,424,233.65 | 12,825.89 | 8,399.17 | 4,426.72 | 2,415,834.47 | 44,093.37 | 31 |
| 11 | 15/07/2014 | 2,415,834.47 | 12,825.89 | 8,556.81 | 4,269.08 | 2,407,277.66 | 48,362.45 | 30 |
| 12 | 15/08/2014 | 2,407,277.66 | 12,825.89 | 8,430.14 | 4,395.75 | 2,398,847.53 | 52,758.21 | 31 |
| 13 | 15/09/2014 | 2,398,847.53 | 12,825.89 | 8,445.53 | 4,380.36 | 2,390,402.00 | 57,138.57 | 31 |
| 14 | 15/10/2014 | 2,390,402.00 | 12,825.89 | 8,601.75 | 4,224.14 | 2,381,800.24 | 61,362.70 | 30 |
| 15 | 15/11/2014 | 2,381,800.24 | 12,825.89 | 8,476.66 | 4,349.23 | 2,373,323.59 | 65,711.94 | 31 |
| 16 | 15/12/2014 | 2,373,323.59 | 12,825.89 | 8,631.93 | 4,193.96 | 2,364,691.65 | 69,905.89 | 30 |
| 17 | 15/01/2015 | 2,364,691.65 | 12,825.89 | 8,507.90 | 4,317.99 | 2,356,183.75 | 74,223.88 | 31 |
| 18 | 15/02/2015 | 2,356,183.75 | 12,825.89 | 8,523.43 | 4,302.46 | 2,347,660.32 | 78,526.34 | 31 |
| 19 | 15/03/2015 | 2,347,660.32 | 12,825.89 | 8,953.86 | 3,872.03 | 2,338,706.46 | 82,398.37 | 28 |
| 20 | 15/04/2015 | 2,338,706.46 | 12,825.89 | 8,555.35 | 4,270.54 | 2,330,151.11 | 86,668.91 | 31 |
| 21 | 15/05/2015 | 2,330,151.11 | 12,825.89 | 8,708.23 | 4,117.66 | 2,321,442.89 | 90,786.58 | 30 |
| 22 | 15/06/2015 | 2,321,442.89 | 12,825.89 | 8,586.87 | 4,239.02 | 2,312,856.02 | 95,025.60 | 31 |
| 23 | 15/07/2015 | 2,312,856.02 | 12,825.89 | 8,738.79 | 4,067.10 | 2,304,117.23 | 99,112.70 | 30 |
| 24 | 15/08/2015 | 2,304,117.23 | 12,825.89 | 8,618.51 | 4,207.38 | 2,295,498.72 | 103,320.08 | 31 |
| 25 | 15/09/2015 | 2,295,498.72 | 12,825.89 | 8,634.25 | 4,191.64 | 2,286,864.47 | 107,511.72 | 31 |
| 26 | 15/10/2015 | 2,286,864.47 | 12,825.89 | 8,784.72 | 4,041.17 | 2,278,079.75 | 111,552.89 | 30 |
| 27 | 15/11/2015 | 2,278,079.75 | 12,825.89 | 8,666.05 | 4,159.84 | 2,269,413.70 | 115,712.73 | 31 |
| 28 | 15/12/2015 | 2,269,413.70 | 12,825.89 | 8,815.56 | 4,010.33 | 2,260,598.14 | 119,723.06 | 30 |
| 29 | 15/01/2016 | 2,260,598.14 | 12,825.89 | 8,697.98 | 4,127.91 | 2,251,900.17 | 123,850.98 | 31 |
| 30 | 15/02/2016 | 2,251,900.17 | 12,825.89 | 8,713.86 | 4,112.03 | 2,243,186.31 | 127,963.01 | 31 |
| 31 | 15/03/2016 | 2,243,186.31 | 12,825.89 | 8,994.04 | 3,831.85 | 2,234,192.27 | 131,794.86 | 29 |
| 32 | 15/04/2016 | 2,234,192.27 | 12,825.89 | 8,746.19 | 4,079.70 | 2,225,446.08 | 135,874.56 | 31 |
| 33 | 15/05/2016 | 2,225,446.08 | 12,825.89 | 8,893.25 | 3,932.64 | 2,216,552.83 | 139,807.20 | 30 |
| 34 | 15/06/2016 | 2,216,552.83 | 12,825.89 | 8,778.40 | 4,047.49 | 2,207,774.42 | 143,854.68 | 31 |
| 35 | 15/07/2016 | 2,207,774.42 | 12,825.89 | 8,924.48 | 3,901.41 | 2,198,849.94 | 147,756.09 | 30 |
| 36 | 15/08/2016 | 2,198,849.94 | 12,825.89 | 8,810.73 | 4,015.16 | 2,190,039.21 | 151,771.25 | 31 |
| 37 | 15/09/2016 | 2,190,039.21 | 12,825.89 | 8,826.82 | 3,999.07 | 2,181,212.39 | 155,770.32 | 31 |
| 38 | 15/10/2016 | 2,181,212.39 | 12,825.89 | 8,971.42 | 3,854.47 | 2,172,240.98 | 159,624.80 | 30 |
| 39 | 15/11/2016 | 2,172,240.98 | 12,825.89 | 8,859.32 | 3,966.57 | 2,163,381.66 | 163,591.37 | 31 |
| 40 | 15/12/2016 | 2,163,381.66 | 12,825.89 | 9,002.93 | 3,822.96 | 2,154,378.73 | 167,414.33 | 30 |
| 41 | 15/01/2017 | 2,154,378.73 | 12,825.89 | 8,891.94 | 3,933.95 | 2,145,486.79 | 171,348.28 | 31 |
| 42 | 15/02/2017 | 2,145,486.79 | 12,825.89 | 8,908.17 | 3,917.72 | 2,136,578.62 | 175,266.00 | 31 |
| 43 | 15/03/2017 | 2,136,578.62 | 12,825.89 | 9,302.00 | 3,523.89 | 2,127,276.62 | 178,789.89 | 28 |

49,877.16
47,691.26

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APPENDIX 5-E

2

CAPITAL TERM LOAN #3 AMORTIZATION SCHEDULE

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APPENDIX – 5-E

2

Capital Term Loan #3 – Loan Amortization Schedule



CAPITAL TERM LOAN #3

COMMERCIAL LOAN AMORTIZATION SCHEDULE

| Enter values | |
|-------------------------------|-----------------|
| Loan amount | \$ 3,000,000.00 |
| Annual Interest Rate | 2.16 % |
| Monthly Equivalent Rate | 2.16 % |
| Rate Term in months | 36 |
| Amortization period in months | 240 |
| Number of payments per year | 12 |
| Start Date | 18-Aug-14 |
| First Payment Date | 18-Sep-14 |
| Rate Term Maturity Date | August 18 2015 |

| | |
|------------------------------|--------------------|
| Client Name: | Halton Hills Hydro |
| Sales Branch: | |
| Loan Number: | 9002579-08 |
| Loan summary | |
| Scheduled payment actual | \$ 15,405.41 |
| Payment frequency | monthly |
| Scheduled number of payments | 36 |
| Total interest | \$ 182,995.01 |
| Balance at End of Rate Term | \$ 2,628,400.25 |

| Py/No | Payment Date | Beginning Balance | Scheduled Payment | Principal | Interest | Ending Balance | Cumulative Interest | Days |
|-------|--------------|-------------------|-------------------|-----------|----------|----------------|---------------------|------|
| 1 | 18/09/2014 | 3,000,000.00 | 15,405.41 | 9,901.85 | 5,503.56 | 2,990,098.15 | 5,503.56 | 31 |
| 2 | 18/10/2014 | 2,990,098.15 | 15,405.41 | 10,096.96 | 5,308.45 | 2,980,001.19 | 10,812.01 | 30 |
| 3 | 18/11/2014 | 2,980,001.19 | 15,405.41 | 9,938.54 | 5,466.87 | 2,970,062.65 | 16,278.88 | 31 |
| 4 | 18/12/2014 | 2,970,062.65 | 15,405.41 | 10,132.53 | 5,272.88 | 2,959,930.12 | 21,551.76 | 30 |
| 5 | 18/01/2015 | 2,959,930.12 | 15,405.41 | 9,975.36 | 5,430.05 | 2,949,954.76 | 26,981.81 | 31 |
| 6 | 18/02/2015 | 2,949,954.76 | 15,405.41 | 9,993.66 | 5,411.75 | 2,939,961.11 | 32,393.57 | 31 |
| 7 | 18/03/2015 | 2,939,961.11 | 15,405.41 | 10,533.93 | 4,871.48 | 2,929,427.17 | 37,265.04 | 28 |
| 8 | 18/04/2015 | 2,929,427.17 | 15,405.41 | 10,031.32 | 5,374.09 | 2,919,395.86 | 42,639.14 | 31 |
| 9 | 18/05/2015 | 2,919,395.86 | 15,405.41 | 10,222.48 | 5,182.93 | 2,909,173.37 | 47,822.06 | 30 |
| 10 | 18/06/2015 | 2,909,173.37 | 15,405.41 | 10,068.47 | 5,336.94 | 2,899,104.90 | 53,159.00 | 31 |
| 11 | 18/07/2015 | 2,899,104.90 | 15,405.41 | 10,258.51 | 5,146.90 | 2,888,846.40 | 58,305.91 | 30 |
| 12 | 18/08/2015 | 2,888,846.40 | 15,405.41 | 10,105.76 | 5,299.65 | 2,878,740.63 | 63,605.55 | 31 |
| 13 | 18/09/2015 | 2,878,740.63 | 15,405.41 | 10,124.30 | 5,281.11 | 2,868,616.33 | 68,886.66 | 31 |
| 14 | 18/10/2015 | 2,868,616.33 | 15,405.41 | 10,312.63 | 5,092.78 | 2,858,303.70 | 73,979.44 | 30 |
| 15 | 18/11/2015 | 2,858,303.70 | 15,405.41 | 10,161.79 | 5,243.62 | 2,848,141.91 | 79,223.06 | 31 |
| 16 | 18/12/2015 | 2,848,141.91 | 15,405.41 | 10,348.98 | 5,056.43 | 2,837,792.92 | 84,279.48 | 30 |
| 17 | 18/01/2016 | 2,837,792.92 | 15,405.41 | 10,199.42 | 5,205.99 | 2,827,593.50 | 89,485.47 | 31 |
| 18 | 18/02/2016 | 2,827,593.50 | 15,405.41 | 10,218.13 | 5,187.28 | 2,817,375.37 | 94,672.75 | 31 |
| 19 | 18/03/2016 | 2,817,375.37 | 15,405.41 | 10,570.33 | 4,835.08 | 2,806,805.04 | 99,507.83 | 29 |
| 20 | 18/04/2016 | 2,806,805.04 | 15,405.41 | 10,256.27 | 5,149.14 | 2,796,548.77 | 104,656.97 | 31 |
| 21 | 18/05/2016 | 2,796,548.77 | 15,405.41 | 10,440.58 | 4,964.83 | 2,786,108.19 | 109,621.80 | 30 |
| 22 | 18/06/2016 | 2,786,108.19 | 15,405.41 | 10,294.24 | 5,111.17 | 2,775,813.96 | 114,732.96 | 31 |
| 23 | 18/07/2016 | 2,775,813.96 | 15,405.41 | 10,477.39 | 4,928.02 | 2,765,336.57 | 119,661.00 | 30 |
| 24 | 18/08/2016 | 2,765,336.57 | 15,405.41 | 10,332.34 | 5,073.07 | 2,755,004.22 | 124,734.06 | 31 |
| 25 | 18/09/2016 | 2,755,004.22 | 15,405.41 | 10,351.30 | 5,054.11 | 2,744,652.93 | 129,788.18 | 31 |
| 26 | 18/10/2016 | 2,744,652.93 | 15,405.41 | 10,532.71 | 4,872.70 | 2,734,120.21 | 134,660.87 | 30 |
| 27 | 18/11/2016 | 2,734,120.21 | 15,405.41 | 10,389.61 | 5,015.80 | 2,723,730.60 | 139,676.67 | 31 |
| 28 | 18/12/2016 | 2,723,730.60 | 15,405.41 | 10,569.86 | 4,835.55 | 2,713,160.75 | 144,512.23 | 30 |
| 29 | 18/01/2017 | 2,713,160.75 | 15,405.41 | 10,428.06 | 4,977.35 | 2,702,732.69 | 149,489.58 | 31 |
| 30 | 18/02/2017 | 2,702,732.69 | 15,405.41 | 10,447.19 | 4,958.22 | 2,692,285.50 | 154,447.80 | 31 |
| 31 | 18/03/2017 | 2,692,285.50 | 15,405.41 | 10,944.33 | 4,461.08 | 2,681,341.17 | 158,908.88 | 28 |

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