



Exhibit 5

Cost of Capital

Table of Contents

	2.5.1 Cost of Capital and Rate of Return	3
1	2.5.1.1 Capital Structure (OEB Ref 2.5.1)	3
2	2.5.1.2 Cost of Capital (OEB Ref 2.5.2)	4
3	2.5.1.3 OEB Appendix 2-OA Cost of Capital.....	5
4	2.5.1.4 OEB Appendix 2-OB Cost of Debt Instruments.....	9
	2.5.2 Cost of Capital (Return on Equity and Cost of Debt)	10
5	2.5.2.1 Return on Equity	10
6	2.5.2.2 Weighted Average Cost of Debt.....	10
7	2.5.2.3 Long Term Debt.....	10
8	2.5.2.4 Short Term Debt	12
9	2.5.2.5 Notional Debt.....	13
	2.5.3 Not-For-Profit.....	14
	Appendix.....	15

2.5.1 Cost of Capital and Rate of Return

2.5.1.1 Capital Structure (OEB Ref 2.5.1)

NOTL Hydro seeks to recover a weighted average cost of capital of 5.77% through rates in the 2019 Test Year. NOTL Hydro has followed the Report of the Board on Cost of Capital for Ontario's Regulated Utilities, December 11, 2009 in determining the cost of capital.

In calculating the cost of capital, NOTL Hydro has used the OEB's deemed capital structure of 56% long-term debt, 4% short-term debt, and 40% equity as the Cost of Capital parameters in the OEB's letter of November 23, 2017 Cost of Capital Parameter Updates for 2018 Cost of Service and Custom Incentive Rate-setting Applications for the allowed return on equity ("ROE"):

Table 5.1: OEB Capital Structure

Capital Element	Capitalization Ratio	Cost Rate
Long-term Debt	56.00%	4.16%
Short-term Debt	4.00%	2.29%
Common Equity	40.00%	9.00%
Preferred Shares	0.00%	0.00%
Total	100.00%	6.02%

NOTL Hydro's actual capital structure, as of December 31, 2017, differs from the deemed capital structure in the following respect:

Table 5.2: NOTL Hydro vs. OEB Capital Structure

Capital Element	NOTL Hydro Capital Ratio	OEB Capital Ratio	Variance
Long-term Debt	27.5%	56.0%	-28.5%
Short-term Debt	7.5%	4.0%	+3.5%
Common Equity	65.0%	40.0%	+25.0%
Preferred Shares	0.0%	0.0%	-
Total	100.0%	100.0%	-

The calculation of the NOTL Hydro capital ratio has been simplified for illustrative purposes by ignoring all other liabilities.

NOTL Hydro has considerably more equity capital than the OEB's deemed capital structure. NOTL Hydro has maintained a deliberate policy of keeping its debt low in order to maintain financial flexibility into the future. As a result, when NOTL Hydro does need to borrow, such as for transformer purchases which require several million dollars, it is able to do so quickly and at fair prices. NOTL Hydro has achieved this financial position through prudent cash management and by limiting its dividends to what is sustainable in the long term rather than at a particular ratio.

NOTL Hydro short-term debt ratio is higher than the deemed ratio as NOTL Hydro will borrow from its current banker, CIBC, using floating rate demand loans. These are then converted to long term fixed rates by way of interest rate swaps. This type of borrowing is cheaper as it requires the bank to use less capital. However, the accounting treatment of these loans requires them to be presented as short-term debt as they are still demand loans. NOTL Hydro considers them long-term loans for its cash management purposes and has included these loans in its long-term debt calculations.

NOTL Hydro acknowledges that the OEB deemed capital structure will be used for rate setting purposes rather than its actual structure and that the effect of this will be to lower its actual return on equity.

2.5.1.2 Cost of Capital (OEB Ref 2.5.2)

NOTL Hydro's cost of capital for 2019 has been calculated as 5.77%, as shown in the table below:

Table 5.3: NOTL Hydro Capital Structure for Rate Setting

Particulars	Ratio	Cost Rate
		(%)
Debt		
Long-term Debt	56%	3.71
Short-term Debt	4%	2.29
Total Debt	60%	3.62
Equity		
Common Equity	40%	9.00
Preferred Shares	0%	0.00
Total Equity	40%	9.00
Total	100%	5.77

The Cost of Capital parameters are consistent with the letter issued by the OEB on November 23, 2017.

NOTL Hydro understands that the OEB may update the ROE for 2019 at a later date, and therefore commits to updating its Application to reflect the OEB's updated Cost of Capital Parameters for 2019 Cost of Service Applications and as new information is issued.

2.5.1.3 OEB Appendix 2-OA Cost of Capital

The tables below present the capital structure for the last Board Approved (2014), as approved at the settlement conference, and the 2019 Test year as well as each year in between:

Table 5.4: 2014 Capital Structure – Board Approved

Board Approved 2014

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$13,711,016	4.96%	\$680,066
2	Short-term Debt	4.00%	\$979,358	2.11%	\$20,664
3	Total Debt	60.0%	\$14,690,375	4.77%	\$700,731
	Equity				
4	Common Equity	40.00%	\$9,793,583	9.36%	\$916,679
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$9,793,583	9.36%	\$916,679
7	Total	100.0%	\$24,483,958	6.61%	\$1,617,410

Table 5.5: 2014 Capital Structure – Actual

Year: 2014

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$13,748,681	5.18%	\$712,182
2	Short-term Debt	4.00%	\$982,049	2.11%	\$20,721
3	Total Debt	60.0%	\$14,730,730	4.98%	\$732,903
	Equity				
4	Common Equity	40.00%	\$9,820,487	9.36%	\$919,198
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$9,820,487	9.36%	\$919,198
7	Total	100.0%	\$24,551,216	6.73%	\$1,652,100

Table 5.6: 2015 Capital Structure – Actual

Year: 2015

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$14,666,797	5.10%	\$748,007
2	Short-term Debt	4.00%	\$1,047,628	2.16%	\$22,629
3	Total Debt	60.0%	\$15,714,425	4.90%	\$770,635
	Equity				
4	Common Equity	40.00%	\$10,476,284	9.30%	\$974,294
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$10,476,284	9.30%	\$974,294
7	Total	100.0%	\$26,190,709	6.66%	\$1,744,930

Table 5.7: 2016 Capital Structure – Actual

Year: **2016**

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$15,664,684	4.06%	\$635,986
2	Short-term Debt	4.00%	\$1,118,906	1.65%	\$18,462
3	Total Debt	60.0%	\$16,783,590	3.90%	\$654,448
	Equity				
4	Common Equity	40.00%	\$11,189,060	9.19%	\$1,028,275
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$11,189,060	9.19%	\$1,028,275
7	Total	100.0%	\$27,972,649	6.02%	\$1,682,723

Table 5.8: 2017 Capital Structure – Actual

Year: **2017**

		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$15,605,732	3.76%	\$586,776
2	Short-term Debt	4.00%	\$1,114,695	1.76%	\$19,619
3	Total Debt	60.0%	\$16,720,427	3.63%	\$606,394
	Equity				
4	Common Equity	40.00%	\$11,146,951	8.78%	\$978,702
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$11,146,951	8.78%	\$978,702
7	Total	100.0%	\$27,867,378	5.69%	\$1,585,096

Table 5.9: 2018 Capital Structure – Bridge Year

Year: 2018

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$16,091,158	3.80%	\$611,464
2	Short-term Debt	4.00%	\$1,149,368	2.29%	\$26,321
3	Total Debt	60.0%	\$17,240,526	3.70%	\$637,785
	Equity				
4	Common Equity	40.00%	\$11,493,684	9.00%	\$1,034,432
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$11,493,684	9.00%	\$1,034,432
7	Total	100.0%	\$28,734,210	5.82%	\$1,672,216

Table 5.10: 2019 Capital Structure – Test Year

Year: 2019

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$17,190,886	3.71%	\$637,782
2	Short-term Debt	4.00%	\$1,227,920	2.29%	\$28,119
3	Total Debt	60.0%	\$18,418,806	3.62%	\$665,901
	Equity				
4	Common Equity	40.00%	\$12,279,204	9.00%	\$1,105,128
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$12,279,204	9.00%	\$1,105,128
7	Total	100.0%	\$30,698,011	5.77%	\$1,771,030

The general trend has been a declining cost of capital as the average cost of NOTL Hydro's debt has declined and the deemed cost of equity has declined.

2.5.1.4 OEB Appendix 2-OB Cost of Debt Instruments

Appendix 2-OB (Table 5.11) below presents capital structure for all required historical years, the 2018 Bridge Year and the 2019 Test year, illustrating the weighted average cost of long-term debt:

Table 5.11: 2014 to 2019 Debt Instruments

Year 2019											
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) (Note 2)	Calculated Interest (\$) (Note 1)	Actual Interest	Additional Comments, if any
1	Original Promissory Note	Town of NOTL	Affiliated	Fixed Rate	1-Jul-00	Open	\$ 2,098,770	4.16%	\$ 87,308.82	\$ 140,354.69	Actual interest exp
2	York TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	29-Aug-03	15	\$ -	6.03%	\$ -	\$ -	Fixed rate via swap
3	NOTL TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	27-Oct-05	15	\$ 424,320	6.13%	\$ 26,010.81	\$ 18,898.02	Fixed rate via swap
4	Infrastructure Ontario Loan	Infrastructure Ontario	Third-Party	Fixed Rate	15-Feb-11	15	\$ 716,667	4.27%	\$ 30,601.68	\$ 28,551.00	
5	Town loan - transformer	Town of NOTL	Affiliated	Fixed Rate	1-Feb-15	10	\$ 1,954,706	3.00%	\$ 58,641.19	\$ 54,628.35	
6	Town loan - capital projects	Town of NOTL	Affiliated	Fixed Rate	1-Oct-15	10	\$ 1,430,402	3.00%	\$ 42,912.05	\$ 40,289.76	
Total							\$ 6,624,865	3.71%	\$ 245,474.55	\$ 282,721.82	

Year 2018											
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	Actual Interest	Additional Comments, if any
1	Original Promissory Note	Town of NOTL	Affiliated	Fixed Rate	1-Jul-00	Open	\$ 2,433,659	4.16%	\$ 101,240.21	\$ 165,457.41	Actual interest exp
2	York TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	29-Aug-03	15	\$ 176,902	6.03%	\$ 10,667.16	\$ 4,022.95	Fixed rate via swap
3	NOTL TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	27-Oct-05	15	\$ 612,331	6.13%	\$ 37,535.92	\$ 31,814.75	Fixed rate via swap
4	Infrastructure Ontario Loan	Infrastructure Ontario	Third-Party	Fixed Rate	15-Feb-11	15	\$ 816,667	4.27%	\$ 34,871.68	\$ 33,084.00	
5	Town loan - transformer	Town of NOTL	Affiliated	Fixed Rate	1-Feb-15	10	\$ 2,239,035	3.00%	\$ 67,171.04	\$ 63,276.91	
6	Town loan - capital projects	Town of NOTL	Affiliated	Fixed Rate	1-Oct-15	10	\$ 1,616,207	3.00%	\$ 48,486.22	\$ 45,941.21	
Total							\$ 7,894,801	3.80%	\$ 299,972.23	\$ 343,597.23	

Year 2017											
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	Actual Interest	Additional Comments, if any
1	Original Promissory Note	Town of NOTL	Affiliated	Fixed Rate	1-Jul-00	Open	\$ 2,745,196	3.72%	\$ 102,121.29	\$ 188,809.67	Actual interest exp
2	York TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	29-Aug-03	15	\$ 430,872	6.03%	\$ 25,981.60	\$ 17,697.87	Fixed rate via swap
3	NOTL TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	27-Oct-05	15	\$ 807,154	6.13%	\$ 49,478.57	\$ 37,747.08	Fixed rate via swap
4	Infrastructure Ontario Loan	Infrastructure Ontario	Third-Party	Fixed Rate	15-Feb-11	15	\$ 916,667	4.27%	\$ 39,141.68	\$ 37,187.00	
5	Town loan - transformer	Town of NOTL	Affiliated	Fixed Rate	1-Feb-15	10	\$ 2,514,985	3.00%	\$ 75,449.54	\$ 71,670.19	
6	Town loan - capital projects	Town of NOTL	Affiliated	Fixed Rate	1-Oct-15	10	\$ 1,796,528	3.00%	\$ 53,895.85	\$ 51,425.83	
Total							\$ 9,211,402	3.76%	\$ 346,068.52	\$ 404,537.64	

Year 2016											
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	Actual Interest	Additional Comments, if any
1	Original Promissory Note	Town of NOTL	Affiliated	Fixed Rate	1-Jul-00	Open	\$ 3,035,009	4.54%	\$ 137,789.41	\$ 210,533.56	Actual interest exp
2	York TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	29-Aug-03	15	\$ 671,809	6.03%	\$ 40,510.10	\$ 32,798.37	Fixed rate via swap
3	NOTL TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	27-Oct-05	15	\$ 991,794	6.13%	\$ 60,797.00	\$ 47,998.37	Fixed rate via swap
4	Infrastructure Ontario Loan	Infrastructure Ontario	Third-Party	Fixed Rate	15-Feb-11	15	\$ 1,016,667	4.27%	\$ 43,411.67	\$ 41,589.13	
5	Town loan - transformer	Town of NOTL	Affiliated	Fixed Rate	1-Feb-15	10	\$ 2,782,566	3.00%	\$ 83,476.97	\$ 80,039.15	
6	Town loan - capital projects	Town of NOTL	Affiliated	Fixed Rate	1-Oct-15	10	\$ 1,971,368	3.00%	\$ 59,141.04	\$ 56,907.07	
Total							\$ 10,469,213	4.06%	\$ 425,126.18	\$ 469,845.65	

Year 2015											
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	Actual Interest	Additional Comments, if any
1	Original Promissory Note	Town of NOTL	Affiliated	Fixed Rate	1-Jul-00	Open	\$ 3,304,613	4.77%	\$ 157,630.04	\$ 230,742.64	Actual interest exp
2	York TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	29-Aug-03	15	\$ 900,381	6.03%	\$ 54,292.98	\$ 46,868.87	Fixed rate via swap
3	NOTL TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	27-Oct-05	15	\$ 1,166,785	6.13%	\$ 71,523.95	\$ 57,846.20	Fixed rate via swap
4	Infrastructure Ontario Loan	Infrastructure Ontario	Third-Party	Fixed Rate	15-Feb-11	15	\$ 1,116,667	4.27%	\$ 47,681.67	\$ 45,594.44	
5	Town loan - transformer	Town of NOTL	Affiliated	Fixed Rate	1-Feb-15	10	\$ -	3.00%	\$ -	\$ 72,264.07	
6	Town loan - capital projects	Town of NOTL	Affiliated	Fixed Rate	1-Oct-15	10	\$ -	3.00%	\$ -	\$ 9,992.34	
Total							\$ 6,488,446	5.10%	\$ 331,128.64	\$ 463,308.57	

Year 2014											
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	Actual Interest	Additional Comments, if any
1	Original Promissory Note	Town of NOTL	Affiliated	Fixed Rate	1-Jul-00	Open	\$ 3,800,929	4.88%	\$ 185,485.34	\$ 254,031.00	Actual interest exp
2	York TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	29-Aug-03	15	\$ 1,117,223	6.03%	\$ 67,368.53	\$ 63,988.75	Fixed rate via swap
3	NOTL TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	27-Oct-05	15	\$ 1,332,629	6.13%	\$ 81,690.19	\$ 70,396.90	Fixed rate via swap
4	Infrastructure Ontario Loan	Infrastructure Ontario	Third-Party	Fixed Rate	15-Feb-11	15	\$ 1,216,667	4.27%	\$ 51,951.67	\$ 49,854.69	
Total							\$ 7,467,448	5.18%	\$ 386,495.72	\$ 438,271.34	

NOTL Hydro proposes a Long-Term Debt cost rate for 2019 of 3.71% as calculated in Appendix 2-OB for 2019 as displayed in the table above.

NOTL Hydro's current OEB-approved capital structure for rate-making purposes is 60% debt and 40% equity. NOTL Hydro intends to maintain the same capital structure in the 2019 Test Year. This capital structure was confirmed by the OEB in the Report of the Board on Cost of Capital for Ontario's Regulated Utilities dated December 11, 2009 (The "Board Report"). The 60% debt component is comprised of 4.0% deemed short-term debt and 56.0% deemed long-term debt.

2.5.2 Cost of Capital (Return on Equity and Cost of Debt)

2.5.2.1 Return on Equity

NOTL Hydro has used a ROE of 9.00% in 2019 as established by the Board for cost of service applications with 2019 implementation date.

2.5.2.2 Weighted Average Cost of Debt

NOTL Hydro proposes a Long-Term Debt cost rate for 2019 of 3.71% which is below the OEB's Deemed Long-Term debt rate of 4.16 as prescribed in the Board's letter of November 23, 2017 "Cost of Capital Parameter Updates for 2018 Cost of Service Applications".

2.5.2.3 Long Term Debt

NOTL Hydro's Long-Term Debt instruments (both existing and planned) are summarized below:

- **Original Promissory Note with Town of Niagara-on-the-Lake** – This promissory note was established as part of the creation of NOTL Hydro in 2000. As of December 31, 2017, the principle balance remaining was \$2,433,658.98. This is being repaid with monthly installments of \$41,695.55. The interest rate of 7.25% is above the OEB deemed rate of 4.16%. For the purposes of this application the deemed rate of 4.16% will be used.
- **Demand Installment Loan and Swap with CIBC** – NOTL Hydro borrowed \$2,800,000 in 2003 to finance the construction of the York MTS. The loan was for a 15-year period with monthly interest calculated based on 30-day Banker's Acceptance (BA) rates plus 75

1 basis points. This was subsequently swapped to create an effective all in rate of 6.03%.
2 Repayment of the fixed rate long-term loan is made through blended (i.e., principal and
3 interest) monthly payments of \$22,552.77 plus the 75 basis points. The outstanding
4 principal balance outstanding as of December 31, 2017 is \$176,902.55.

- 5 • **Demand Installment Loan and Swap with CIBC** – NOTL Hydro borrowed \$2,400,000 in
6 2005 to finance the purchase of the NOTL MTS from Hydro One. The loan was for a 15-
7 year period with monthly interest calculated based on 30-day Banker's Acceptance (BA)
8 rates plus 75 basis points. This was subsequently swapped to create an effective all in
9 rate of 6.13%. Repayment of the fixed rate long-term loan is made through blended (i.e.,
10 principal and interest) monthly payments of \$19,457.51 plus the 75 basis points. The
11 outstanding principal balance outstanding as of December 31, 2017 is \$612,331.49.

- 12 • **Ontario Infrastructure and Lands Corporation Loan** - NOTL Hydro borrowed
13 \$1,500,000 in 2011 to fund smart meters. The loan was for a 15-year period with interest
14 at 4.27%. Repayment of the fixed rate long-term loan is made through monthly principal
15 payments of \$8,333.33 plus interest. The outstanding principal balance outstanding as of
16 December 31, 2017 is \$816,666.94.

- 17 • **Promissory Note with Town of Niagara-on-the-Lake** - NOTL Hydro borrowed
18 \$3,000,000 in 2015 to fund the purchase and installation of a new 50 MW transformer at
19 the NOTL MTS. The loan was for a 10-year period with interest at 3.00%. Repayment of
20 the fixed rate long-term loan is made through blended (i.e., principal and interest) monthly
21 payments of \$28,968.35. The outstanding principal balance outstanding as of December
22 31, 2017 is \$2,239,049.51.

- 23 • **Promissory Note with Town of Niagara-on-the-Lake** - NOTL Hydro borrowed
24 \$2,000,000 in 2015 to fund ongoing capital expenditures. The loan was for a 10-year
25 period with interest at 3.00%. Repayment of the fixed rate long-term loan is made through
26 blended (i.e., principal and interest) monthly payments of \$19,312.23. The outstanding
27 principal balance outstanding as of December 31, 2017 is \$1,616,207.26.

- 28 • **Demand Installment Loan and Swap with CIBC** – NOTL Hydro borrowed \$1,000,000 in
29 2016 to finance ongoing capital expenditures. The facility under which this was borrowed

allows for another \$1,000,000 to be borrowed in each of 2018 and 2019. After the final tranche has been borrowed the full \$3,000,000 will be swapped to lock in the existing 15-year swap rate plus 75 basis points. Until that point NOTL Hydro is paying interest only at 90-day BA rates plus 125 basis points. As this loan will not become long-term debt until during 2019 it has not been included in the cost of capital analysis.

- **Additional Future Debt** – NOTL Hydro will need to borrow to fund the planned investment in a new transformer. Negotiations are currently underway with CIBC and a long term fixed rate loan (either a fixed rate loan or a long term floating rate loan with a swap) is expected. The cost of this debt will depend on interest rates in 2019 so cannot be forecast with any certainty. The current average borrowing rate of 3.71% appears to be a reasonable proxy. Additional debt may also be required depending on the movement of the variance accounts. These are assessed on a monthly and annual basis. Any borrowing to fund these regulatory assets would be expected to be short or medium term to match the expected life of these assets.

2.5.2.4 Short Term Debt

NOTL Hydro has used a short-term debt rate of 2.29% for 2019 as established by the Board for cost of service applications with a 2019 test year.

NOTL Hydro's Short-Term Debt instruments are summarized below:

- **Revolving Line of Credit:** NOTL Hydro had access to a revolving line of credit facility in the amount of \$3,000,000 that is secured by a general security agreement over the Corporation's assets. The balance on this line varies significantly over the course of a month with the payment of the monthly invoice from the IESO having the biggest impact. The balance also varies significantly over the year based on the timing of capital expenditures and the seasonal changes in demand for electricity.
- **Letter of Credit:** NOTL Hydro has obtained a Letter of Credit from a Canadian bank in the amount of \$1,550,000 that has been issued in favour of the Independent Electricity System Operator (IESO). This Letter of Credit financially secures the Corporation's electricity purchases from the IESO, who has not drawn on this credit instrument.

- 1 • **Demand Installment Loan:** As described above, NOTL Hydro borrowed \$1,000,000 in
2 2016 to finance ongoing capital expenditures. The facility under which this was borrowed
3 allows for another \$1,000,000 to be borrowed in each of 2018 and 2019. After the final
4 tranche has been borrowed the full \$3,000,000 will be swapped to lock in the existing 15-
5 year swap rate plus 75 basis points. Until that point NOTL Hydro is paying interest only at
6 90-day BA rates plus 125 basis points. As maturity has not been determined this loan is
7 currently considered short-term debt but it will be considered long-term debt in 2019 after
8 the related swap is put in place.
- 9 • **Demand Installment Loan and Swap with CIBC** – These loans from CIBC are payable
10 on demand so are classified as current liabilities on the balance sheet of NOTL Hydro. As
11 the purpose of the related swaps is to effectively lock in the interest rate and payment
12 terms these loans have been categorized as long-term debt for the purpose of this analysis.

13 NOTL Hydro does not forecast that it will redeem any debt and has not issued any preference
14 shares, hence NOTL Hydro does not record either a profit or a loss on redemption of debt and/or
15 preference shares.

16 2.5.2.5 Notional Debt

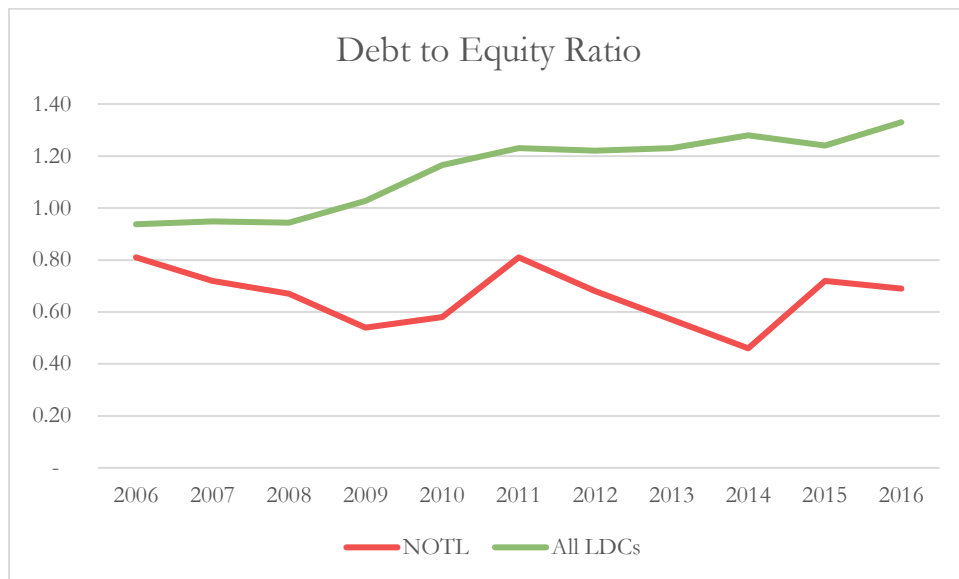
17 Notional debt is the portion of deemed debt that results from differences between the NOTL
18 Hydro's actual debt and the deemed debt of 60% of the rate base. NOTL Hydro's actual debt level
19 is substantially below the deemed 60% and this is shortfall expected to increase over the next
20 four years until the borrowing for the new transformer. NOTL Hydro accepts the weighted average
21 cost of its long-term debt as the rate on notional debt. The table below quantifies the notional debt.

22 **Chart 5.12: Notional Debt**

	Actual		Deemed for Rate-Setting	
Debt	\$ 10,744,304	35.0%	\$ 10,744,304	35.0%
Total Debt	\$ 10,744,304	35.0%	\$ 7,674,503	25.0% Notional
Equity	\$ 19,953,707	65.0%	\$ 18,418,807	60.0%
Total Rate Base	\$ 30,698,011	100.0%	\$ 12,279,204	40.0%
			\$ 30,698,011	100.0%

NOTL Hydro operates with the philosophy that operating with a low debt:equity ratio provides flexibility should an opportunity or a need arise in the future for a large investment. Based on the repayment schedules described above NOTL Hydro is repaying over \$1.3 million in debt a year. The debt:equity ratio will show a further decline in 2017 as NOTL Hydro did not borrow any funds that year. As in 2015, in 2019 NOTL Hydro will have an increased debt:equity ratio when it borrows to fund the acquisition of the new transformer for York station.

Chart 5.13: Debt to Equity ratios – NOTL Hydro and all LDCs



Source: OEB Yearbook of Electricity Distributors 2006-2016

2.5.3 Not-For-Profit

Note that NOTL Hydro is not a cooperative or a not-for-profit organization and, as such, all requirements related to a not-for-profit organization do not apply.

1 **Appendix**

2 **List of Appendices**

Appendix 5A	Original Promissory Note and Current Repayment Schedule
Appendix 5B	Promissory Note – Transformer
Appendix 5C	Promissory Note – Capital Projects

3

APPENDIX

5A

2019 NIAGARA-ON-THE-LAKE HYDRO
**COST OF SERVICE
RATE APPLICATION**
EB-2018-0056



PROMISSORY NOTE

FOR VALUE RECEIVED, Niagara-on-the-Lake Hydro Inc. ("WiresCo") hereby promises to pay to or to the order of The Corporation of the Town of Niagara-on-the-Lake (the "Town") the principal sum of \$6,566,333.12 (the "Principal") with interest at the rate specified herein, on August 1, 2018.

Interest

The outstanding Principal shall bear interest at 7.25%, such interest to be paid monthly, not in advance. Interest shall accrue until the Principal is paid in full.

Renewal

This Promissory Note shall be automatically renewed for an additional ten (10) year term upon its maturity on the same terms and conditions contained herein, save as to any further right of renewal, unless either the Town or WiresCo gives ninety (90) days' prior written notice to the other that the Promissory Note shall not be renewed.

Adjustments

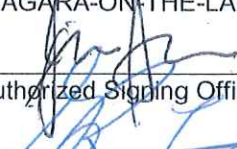
The Promissory Note is not assignable by the Town without the consent of WiresCo, such consent not to be unreasonably withheld.

Replacement Note

This Promissory Note replaces the Promisory Note executed by WiresCo in favour of the Town dated as of the 1st day of Novemeber, 2000 and remains in accordance with Town of Niagara-on-the-Lake By-law No. 3531-01.

Dated as of the 15th day of July, 2008.

NIAGARA-ON-THE-LAKE HYDRO INC.



Authorized Signing Officer



Authorized Signing Officer

A	B	C	D	E	F	G	H	I
SCHEDULE FOR 2013 TOWN LOAN PAYMENTS								
1	Month	Principal Balance Prior Month End	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Total Principal Repayment	Principal Balance End of Month
2				\$ 500,346.60		\$ 500,000.00		
3								
4		X = Y prior month	A	B	C = A + B	D	E = B + D	Y = X - E
5	Jan-2013	\$ 4,498,029.81	\$ 27,175.60	\$ 14,519.95	\$ 41,695.55	\$ 41,666.67	\$ 56,186.62	\$ 4,441,843.19
6	Feb-2013	\$ 4,441,843.19	\$ 26,836.14	\$ 14,859.41	\$ 41,695.55	\$ 41,666.67	\$ 56,526.08	\$ 4,385,317.11
7	Mar-2013	\$ 4,385,317.11	\$ 26,494.62	\$ 15,200.93	\$ 41,695.55	\$ 41,666.67	\$ 56,867.60	\$ 4,328,449.51
8	Apr-2013	\$ 4,328,449.51	\$ 26,151.05	\$ 15,544.50	\$ 41,695.55	\$ 41,666.67	\$ 57,211.17	\$ 4,271,238.34
9	May-2013	\$ 4,271,238.34	\$ 25,805.40	\$ 15,890.15	\$ 41,695.55	\$ 41,666.67	\$ 57,556.82	\$ 4,213,681.52
10	Jun-2013	\$ 4,213,681.52	\$ 25,457.66	\$ 16,237.89	\$ 41,695.55	\$ 41,666.67	\$ 57,904.56	\$ 4,155,776.96
11	Jul-2013	\$ 4,155,776.96	\$ 25,107.82	\$ 16,587.73	\$ 41,695.55	\$ 41,666.67	\$ 58,254.40	\$ 4,097,522.56
12	Aug-2013	\$ 4,097,522.56	\$ 24,755.87	\$ 16,939.68	\$ 41,695.55	\$ 41,666.67	\$ 58,606.35	\$ 4,038,916.21
13	Sep-2013	\$ 4,038,916.21	\$ 24,401.79	\$ 17,293.76	\$ 41,695.55	\$ 41,666.67	\$ 58,960.43	\$ 3,979,955.78
14	Oct-2013	\$ 3,979,955.78	\$ 24,045.57	\$ 17,649.98	\$ 41,695.55	\$ 41,666.67	\$ 59,316.65	\$ 3,920,639.13
15	Nov-2013	\$ 3,920,639.13	\$ 23,687.19	\$ 18,008.36	\$ 41,695.55	\$ 41,666.67	\$ 59,675.03	\$ 3,860,964.10
16	Dec-2013	\$ 3,860,964.10	\$ 23,326.66	\$ 18,368.89	\$ 41,695.55	\$ 41,666.63	\$ 60,035.52	\$ 3,800,928.58
17	TOTALS	\$ 303,245.37	\$ 197,101.23	\$ 500,346.60	\$ 500,346.60	\$ 500,000.00	\$ 697,101.23	\$ 1,000,346.60
18								

SCHEDULE FOR 2014 TOWN LOAN PAYMENTS								
20	Month	Principal Balance Prior Month End	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Principal Balance End of Month
21				\$ 500,346.60		\$ -		
22		X = Y prior month	A	B	C = A + B	D	E	Y = X - D - B
23	Jan	\$ 3,800,928.58	\$ 22,963.94	\$ 18,731.61	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,740,530.30
24	Feb	\$ 3,740,530.30	\$ 22,599.04	\$ 19,096.51	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,679,767.12
25	Mar	\$ 3,679,767.12	\$ 22,231.93	\$ 19,463.62	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,618,636.83
26	Apr	\$ 3,618,636.83	\$ 21,862.60	\$ 19,832.95	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,557,137.21
27	May	\$ 3,557,137.21	\$ 21,491.04	\$ 20,204.51	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,495,266.03
28	Jun	\$ 3,495,266.03	\$ 21,117.23	\$ 20,578.32	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,433,021.04
29	Jul	\$ 3,433,021.04	\$ 20,741.17	\$ 20,954.38	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,370,399.99
30	Aug	\$ 3,370,399.99	\$ 20,362.83	\$ 12,999.39	\$ 33,362.22		\$ 50,000.00	\$ 3,357,400.60
31	Sep	\$ 3,357,400.60	\$ 20,284.30	\$ 13,077.92	\$ 33,362.22		\$ 50,000.00	\$ 3,344,322.68
32	Oct	\$ 3,344,322.68	\$ 20,205.28	\$ 13,156.94	\$ 33,362.22		\$ 50,000.00	\$ 3,331,165.74
33	Nov	\$ 3,331,165.74	\$ 20,125.79	\$ 13,236.43	\$ 33,362.22		\$ 50,000.00	\$ 3,317,929.31
34	Dec	\$ 3,317,929.31	\$ 20,045.82	\$ 13,316.40	\$ 33,362.22		\$ 50,000.00	\$ 3,304,612.91
35	TOTALS	\$ 254,030.97	\$ 204,648.98	\$ 500,346.60	\$ 458,679.95	\$ 291,666.69	\$ 250,000.00	\$ 1,000,346.64
36								

A	B	C	D	E	F	G	H	I
SCHEDULE FOR 2015 TOWN LOAN PAYMENTS								
37								
38	Month	Principal Balance Prior Month End	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Principal Balance End of Month
39				\$ 500,346.60		\$ -		
40	2015	X = Y prior month	A	B	C = A + B	D	E	Y = X - D - B
41	Jan	\$ 3,304,512.91	\$ 19,965.37	\$ 21,730.18	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 3,282,882.73
42	Feb	\$ 3,282,882.73	\$ 19,834.08	\$ 21,861.47	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 3,261,021.26
43	Mar	\$ 3,261,021.26	\$ 19,702.00	\$ 21,993.55	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 3,239,027.71
44	Apr	\$ 3,239,027.71	\$ 19,569.13	\$ 22,126.42	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 3,216,901.29
45	May	\$ 3,216,901.29	\$ 19,435.45	\$ 22,260.10	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 3,194,641.19
46	Jun	\$ 3,194,641.19	\$ 19,300.96	\$ 22,394.59	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 3,172,246.60
47	Jul	\$ 3,172,246.60	\$ 19,165.66	\$ 22,529.89	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 3,149,716.71
48	Aug	\$ 3,149,716.71	\$ 19,029.54	\$ 22,666.01	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 3,127,050.70
49	Sep	\$ 3,127,050.70	\$ 18,892.60	\$ 22,802.95	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 3,104,247.75
50	Oct	\$ 3,104,247.75	\$ 18,754.83	\$ 22,940.72	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 3,081,307.03
51	Nov	\$ 3,081,307.03	\$ 18,616.23	\$ 23,079.32	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 3,058,227.71
52	Dec	\$ 3,058,227.71	\$ 18,476.79	\$ 23,218.76	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 3,035,008.95
53	TOTALS	\$ 230,742.64	\$ 269,603.96	\$ 500,346.60	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60
54								
SCHEDULE FOR 2016 TOWN LOAN PAYMENTS								
55								
56	Month	Principal Balance Prior Month End	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Principal Balance End of Month
57				\$ 500,346.60		\$ -		
58	2016	X = Y prior month	A	B	C = A + B	D	E	Y = X - D - B
59	Jan	\$ 3,035,008.95	\$ 18,336.51	\$ 23,359.04	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 3,011,649.91
60	Feb	\$ 3,011,649.91	\$ 18,195.38	\$ 23,500.17	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 2,988,149.74
61	\$ 41,666.67	\$ 2,988,149.74	\$ 18,053.40	\$ 23,642.15	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 2,964,507.59
62	Apr	\$ 2,964,507.59	\$ 17,910.57	\$ 23,784.98	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 2,940,722.61
63	May	\$ 2,940,722.61	\$ 17,766.87	\$ 23,928.68	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 2,916,793.93
64	Jun	\$ 2,916,793.93	\$ 17,622.30	\$ 24,073.25	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 2,892,720.68
65	Jul	\$ 2,892,720.68	\$ 17,476.85	\$ 24,218.70	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 2,868,501.98
66	Aug	\$ 2,868,501.98	\$ 17,330.53	\$ 24,365.02	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 2,844,136.96
67	Sep	\$ 2,844,136.96	\$ 17,183.33	\$ 24,512.22	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 2,819,624.74
68	Oct	\$ 2,819,624.74	\$ 17,035.23	\$ 24,660.32	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 2,794,964.42
69	Nov	\$ 2,794,964.42	\$ 16,886.24	\$ 24,809.31	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 2,770,155.11
70	Dec	\$ 2,770,155.11	\$ 16,736.35	\$ 24,959.20	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 2,745,195.91
71	TOTALS	\$ 210,533.56	\$ 289,813.04	\$ 500,346.60	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60
72								

A	B	C	D	E	F	G	H	I
SCHEDULE FOR 2017 TOWN LOAN PAYMENTS								
73								
Month	Principal Balance Prior Month End	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
74								
75								
76	2017	X = Y prior month	B	C = A + B	D	E	F = A + B + D + E	Y = X - D - B
77	Jan	\$ 2,745,195.91	\$ 25,109.99	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,720,085.92
78	Feb	\$ 2,720,085.92	\$ 16,433.85	\$ 25,261.70	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,694,824.22
79	Mar	\$ 2,694,824.22	\$ 16,281.23	\$ 25,414.32	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,669,409.90
80	Apr	\$ 2,669,409.90	\$ 16,127.68	\$ 25,567.87	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,643,842.03
81	May	\$ 2,643,842.03	\$ 15,973.21	\$ 25,722.34	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,618,119.69
82	Jun	\$ 2,618,119.69	\$ 15,817.81	\$ 25,877.74	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,592,241.95
83	Jul	\$ 2,592,241.95	\$ 15,661.46	\$ 26,034.09	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,566,207.86
84	Aug	\$ 2,566,207.86	\$ 15,504.17	\$ 26,191.38	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,540,016.48
85	Sep	\$ 2,540,016.48	\$ 15,345.93	\$ 26,349.62	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,513,666.86
86	Oct	\$ 2,513,666.86	\$ 15,186.74	\$ 26,508.81	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,487,158.05
87	Nov	\$ 2,487,158.05	\$ 15,026.58	\$ 26,668.97	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,460,489.08
88	Dec	\$ 2,460,489.08	\$ 14,865.45	\$ 26,830.10	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,433,658.98
89	TOTALS	\$ 188,809.67	\$ 311,536.93	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60	
90								
SCHEDULE FOR 2018 TOWN LOAN PAYMENTS								
91								
Month	Principal Balance Prior Month End	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
92								
93								
94	2018	X = Y prior month	B	C = A + B	D	E	F = A + B + D + E	Y = X - D - B
95	Jan	\$ 2,433,658.98	\$ 14,703.36	\$ 26,992.19	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,406,666.79
96	Feb	\$ 2,406,666.79	\$ 14,540.28	\$ 27,155.27	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,379,511.52
97	Mar	\$ 2,379,511.52	\$ 14,376.22	\$ 27,319.33	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,352,192.19
98	Apr	\$ 2,352,192.19	\$ 14,211.16	\$ 27,484.39	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,324,707.80
99	May	\$ 2,324,707.80	\$ 14,045.11	\$ 27,650.44	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,297,057.36
100	Jun	\$ 2,297,057.36	\$ 13,878.05	\$ 27,817.50	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,269,239.86
101	Jul	\$ 2,269,239.86	\$ 13,709.99	\$ 27,985.56	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,241,254.30
102	Aug	\$ 2,241,254.30	\$ 13,540.91	\$ 28,154.64	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,213,099.66
103	Sep	\$ 2,213,099.66	\$ 13,370.81	\$ 28,324.74	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,184,774.92
104	Oct	\$ 2,184,774.92	\$ 13,199.68	\$ 28,495.87	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,156,279.05
105	Nov	\$ 2,156,279.05	\$ 13,027.52	\$ 28,668.03	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,127,611.02
106	Dec	\$ 2,127,611.02	\$ 12,854.32	\$ 28,841.23	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,098,769.79
107	TOTALS	\$ 155,457.41	\$ 334,889.19	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60	
108								
109								

A	B	C	D	E	F	G	H	I
SCHEDULE FOR 2019 TOWN LOAN PAYMENTS								
110								
		Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
111	Month	Principal Balance						
112		Prior Month End	\$ 500,346.60		\$ -			Y = X - D - B
113	2019	X = Y prior month	A	C = A + B	D	E	F = A + B + D + E	
114	Jan	\$ 2,098,754.31	\$ 29,015.48	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,069,754.31
115	Feb	\$ 2,069,754.31	\$ 29,190.78	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,040,563.53
116	Mar	\$ 2,040,563.53	\$ 29,367.15	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,011,196.38
117	Apr	\$ 2,011,196.38	\$ 29,544.57	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,981,651.81
118	May	\$ 1,981,651.81	\$ 29,723.07	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,951,928.74
119	Jun	\$ 1,951,928.74	\$ 29,902.65	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,922,026.09
120	Jul	\$ 1,922,026.09	\$ 30,083.31	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,891,942.78
121	Aug	\$ 1,891,942.78	\$ 30,265.06	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,861,677.72
122	Sep	\$ 1,861,677.72	\$ 30,447.91	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,831,229.81
123	Oct	\$ 1,831,229.81	\$ 30,631.87	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,800,597.94
124	Nov	\$ 1,800,597.94	\$ 30,816.94	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,769,781.00
125	Dec	\$ 1,769,781.00	\$ 31,003.12	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,738,777.88
126	TOTALS	\$ 140,354.69	\$ 359,991.91	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60	
127								
SCHEDULE FOR 2020 TOWN LOAN PAYMENTS								
128								
		Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
129	Month	Principal Balance						
130		Prior Month End	\$ 500,346.60		\$ -			Y = X - D - B
131	2020	X = Y prior month	A	C = A + B	D	E	F = A + B + D + E	
132	Jan	\$ 1,738,777.88	\$ 31,190.43	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,707,587.45
133	Feb	\$ 1,707,587.45	\$ 31,378.88	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,676,208.57
134	Mar	\$ 1,676,208.57	\$ 31,568.46	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,644,640.11
135	Apr	\$ 1,644,640.11	\$ 31,759.18	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,612,880.93
136	May	\$ 1,612,880.93	\$ 31,951.06	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,580,929.87
137	Jun	\$ 1,580,929.87	\$ 32,144.10	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,548,785.77
138	Jul	\$ 1,548,785.77	\$ 32,338.30	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,516,447.47
139	Aug	\$ 1,516,447.47	\$ 32,533.68	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,483,913.79
140	Sep	\$ 1,483,913.79	\$ 32,730.24	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,451,183.55
141	Oct	\$ 1,451,183.55	\$ 32,927.98	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,418,255.57
142	Nov	\$ 1,418,255.57	\$ 33,126.92	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,385,128.65
143	Dec	\$ 1,385,128.65	\$ 33,327.06	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,351,801.59
144	TOTALS	\$ 113,370.31	\$ 386,976.29	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60	
145								

A	B	C	D	E	F	G	H	I
SCHEDULE FOR 2021 TOWN LOAN PAYMENTS								
146								
147	Month	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
148			\$ 500,346.60		\$ -			Y = X - D - B
149	2021	A	B	C = A + B	D	E	F = A + B + D + E	
150	Jan	\$ 8,167.13	\$ 33,528.42	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,318,273.17
151	Feb	\$ 7,964.57	\$ 33,730.98	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,284,542.19
152	Mar	\$ 7,760.78	\$ 33,934.77	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,250,607.42
153	Apr	\$ 7,555.75	\$ 34,139.80	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,216,467.62
154	May	\$ 7,349.49	\$ 34,346.06	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,182,121.56
155	Jun	\$ 7,141.98	\$ 34,553.57	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,147,567.99
156	Jul	\$ 6,933.22	\$ 34,762.33	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,112,805.66
157	Aug	\$ 6,723.20	\$ 34,972.35	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,077,833.31
158	Sep	\$ 6,511.91	\$ 35,183.64	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,042,649.67
159	Oct	\$ 6,299.34	\$ 35,396.21	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,007,253.46
160	Nov	\$ 6,085.49	\$ 35,610.06	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 971,643.40
161	Dec	\$ 5,870.35	\$ 35,825.20	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 935,818.20
162	TOTALS	\$ 84,363.21	\$ 415,983.39	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60	
163								
SCHEDULE FOR 2022 TOWN LOAN PAYMENTS								
164								
165	Month	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
166			\$ 500,346.60		\$ -			Y = X - D - B
167	2022	A	B	C = A + B	D	E	F = A + B + D + E	
168	Jan	\$ 5,653.90	\$ 36,041.65	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 899,776.55
169	Feb	\$ 5,436.15	\$ 36,259.40	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 863,517.15
170	Mar	\$ 5,217.08	\$ 36,478.47	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 827,038.68
171	Apr	\$ 4,996.69	\$ 36,698.86	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 790,339.82
172	May	\$ 4,774.97	\$ 36,920.58	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 753,419.24
173	Jun	\$ 4,551.91	\$ 37,143.64	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 716,275.60
174	Jul	\$ 4,327.50	\$ 37,368.05	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 678,907.55
175	Aug	\$ 4,101.73	\$ 37,593.82	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 641,313.73
176	Sep	\$ 3,874.60	\$ 37,820.95	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 603,492.78
177	Oct	\$ 3,646.10	\$ 38,049.45	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 565,443.33
178	Nov	\$ 3,416.22	\$ 38,279.33	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 527,164.00
179	Dec	\$ 3,184.95	\$ 38,510.60	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 488,653.40
180	TOTALS	\$ 53,181.80	\$ 447,164.80	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60	
181								

	A	B	C	D	E	F	G	H	I
182	SCHEDULE FOR 2023 TOWN LOAN PAYMENTS								
	Month	Principal Balance Prior Month End	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
183									
184									
185	2023	X = Y prior month	A	B	C = A + B	D	E	F = A + B + D + E	Y = X - D - B
186	Jan	\$ 488,653.40	\$ 2,952.28	\$ 38,743.27	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 449,910.13
187	Feb	\$ 449,910.13	\$ 2,718.21	\$ 38,977.34	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 410,932.79
188	Mar	\$ 410,932.79	\$ 2,482.72	\$ 39,212.83	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 371,719.96
189	Apr	\$ 371,719.96	\$ 2,245.81	\$ 39,449.74	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 332,270.22
190	May	\$ 332,270.22	\$ 2,007.47	\$ 39,688.08	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 292,582.14
191	Jun	\$ 292,582.14	\$ 1,767.68	\$ 39,927.87	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 252,554.27
192	Jul	\$ 252,554.27	\$ 1,526.45	\$ 40,169.10	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 212,485.17
193	Aug	\$ 212,485.17	\$ 1,283.76	\$ 40,411.79	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 172,073.38
194	Sep	\$ 172,073.38	\$ 1,039.61	\$ 40,655.94	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 131,417.44
195	Oct	\$ 131,417.44	\$ 793.98	\$ 40,901.57	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 90,515.87
196	Nov	\$ 90,515.87	\$ 546.87	\$ 41,148.68	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 49,367.19
197	Dec	\$ 49,367.19	\$ 298.26	\$ 41,397.29	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 7,969.90
198	TOTALS		\$ 19,663.10	\$ 480,683.50	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60	
199									
200									
201	SCHEDULE FOR 2024 TOWN LOAN PAYMENTS								
	Month	Principal Balance Prior Month End	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
202									
203									
204	2024	X = Y prior month	A	B	C = A + B	D	E	F = A + B + D + E	Y = X - D - B
205	Jan	\$ 7,969.90	\$ 48.15	\$ 7,969.90	\$ 8,018.05	\$ -	\$ 75,344.17	\$ 83,362.22	\$ -
206	Feb						\$ 83,362.22	\$ 83,362.22	
207	Mar						\$ 83,362.22	\$ 83,362.22	
208	Apr						\$ 83,362.22	\$ 83,362.22	
209	May						\$ 83,362.22	\$ 83,362.22	
210	Jun						\$ 83,362.22	\$ 83,362.22	
211	Jul						\$ 83,362.22	\$ 83,362.22	\$ -
212	Aug						\$ 83,362.22	\$ 83,362.22	
213	Sep						\$ 83,362.22	\$ 83,362.22	
214	Oct						\$ 83,362.22	\$ 83,362.22	
215	Nov						\$ 83,362.22	\$ 83,362.22	
216	Dec						\$ 83,362.22	\$ 83,362.22	
217	TOTALS		\$ 48.15	\$ 7,969.90	\$ 8,018.05	\$ -	\$ 992,328.55	\$ 1,000,346.60	
218									

APPENDIX

5B

2019 NIAGARA-ON-THE-LAKE HYDRO
**COST OF SERVICE
RATE APPLICATION**
EB-2018-0056



THE CORPORATION
OF THE
TOWN OF NIAGARA-ON-THE-LAKE
BY-LAW NO.4791-15

A BY-LAW TO AUTHORIZE A LOAN AGREEMENT BETWEEN THE
CORPORATION OF THE TOWN OF NIAGARA-ON-THE-LAKE AND
NIAGARA-ON-THE-LAKE HYDRO INC.

**BE IT ENACTED AS A BY-LAW OF THE CORPORATION OF THE TOWN OF
NIAGARA-ON-THE-LAKE as follows:**

1. THAT the Loan Agreement dated the 19th day of January 2015 between
The Corporation of the Town of Niagara-on-the-Lake and Niagara-on-the-
Lake Hydro Inc., be and the same is hereby approved; and
2. THAT the Lord Mayor and Clerk be authorized to affix their hands and the
Corporate Seal; and
3. THAT this by-law shall come into force and take effect immediately upon
the passing thereof.

**READ A FIRST, SECOND AND THIRD TIME AND PASSED THIS 19th DAY OF
JANUARY 2015**


LORD MAYOR PAT DARTE


TOWN CLERK HOLLY DOWD

THE AGREEMENT IS DATED THIS 19TH DAY OF JANUARY 2015

The Corporation of the Town of Niagara-on-the-Lake (NOTL) and Niagara-on-the-Lake Hydro Inc. (Hydro) agree to establish the following credit facility.

Callable Instalment Loan criteria:

Date:	February 1, 2015
Lender:	NOTL
Borrower:	Hydro
Loan Amount:	\$3,000,000.00
Purpose:	To finance the purchase of a new transformer and other capital expenditures.
Interest Rate:	3.0%
Repayment:	By regular monthly payments of \$28,968.35 each, principal plus accrued interest which reflects the interest rate above, amortizing over a period of ten years.
Call Option	Subject to providing 90 days' notice, NOTL shall have the option to require Hydro to repay all or any part of the remaining facility.

Covenants

Good Standing:

Hydro will maintain in good standing all consents, licences and permits necessary to operate its business.

Regulatory Compliance:

Hydro will conduct its business in compliance with market rules for the Ontario electricity market as established by the Ontario Energy Board and any other applicable regulatory body.

Notice of Litigation and Demand and Default:

Hydro will advise NOTL immediately upon the occurrence of any material litigation against Hydro or any event of default or demand for repayment of any credit provided to Hydro by any other lender.

Payments:

Hydro will make all payments in lieu of taxes when due.


Insurance:

Hydro will maintain adequate insurance in amount and type customary for a business of this nature.

Address:
P.O. Box 100
1593 Four Mile Creek Road
Virgil, ON L0S 1T0

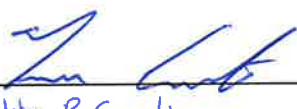
**THE CORPORATION OF THE TOWN
OF NIAGARA-ON-THE-LAKE**


By: 
Name: Pat Darte
Title: Lord Mayor

By: 
Name: Holly Dowd
Title: Town Clerk

Address:
PO Box 460, 8 Henegan Rd.
Virgil, Ontario L0S 1T0

NIAGARA-ON-THE-LAKE HYDRO INC.

By: 
Name: Timothy B. Curtis
Title: President

By: 
Name: Jim Ryan
Title: Chair

Niagara-on-the-Lake Hydro Inc

Transformer Loan from the Town of Niagara-on-the-Lake

Repayment Schedule

Interest rate and monthly payment 3.00% 28968.35

Date	Opening Balance	Interest	Principal Repayment	Total payment	Closing Balance
1-Feb-15	3,000,000.00	-	-	-	3,000,000.00
1-Mar-15	3,000,000.00	6,904.11	22,064.24	28,968.35	2,977,935.76
1-Apr-15	2,977,935.76	7,587.62	21,380.73	28,968.35	2,956,555.03
1-May-15	2,956,555.03	7,290.14	21,678.21	28,968.35	2,934,876.81
1-Jun-15	2,934,876.81	7,477.91	21,490.44	28,968.35	2,913,386.37
1-Jul-15	2,913,386.37	7,183.69	21,784.66	28,968.35	2,891,601.71
1-Aug-15	2,891,601.71	7,367.64	21,600.71	28,968.35	2,870,001.00
1-Sep-15	2,870,001.00	7,312.61	21,655.74	28,968.35	2,848,345.26
1-Oct-15	2,848,345.26	7,023.32	21,945.03	28,968.35	2,826,400.23
1-Nov-15	2,826,400.23	7,201.51	21,766.84	28,968.35	2,804,633.39
1-Dec-15	2,804,633.39	6,915.53	22,052.82	28,968.35	2,782,580.57
1-Jan-16	2,782,580.57	7,089.86	21,878.49	28,968.35	2,760,702.09
1-Feb-16	2,760,702.09	7,034.12	21,934.23	28,968.35	2,738,767.85
1-Mar-16	2,738,767.85	6,528.02	22,440.33	28,968.35	2,716,327.52
1-Apr-16	2,716,327.52	6,921.05	22,047.30	28,968.35	2,694,280.23
1-May-16	2,694,280.23	6,643.43	22,324.92	28,968.35	2,671,955.31
1-Jun-16	2,671,955.31	6,808.00	22,160.35	28,968.35	2,649,794.96
1-Jul-16	2,649,794.96	6,533.74	22,434.61	28,968.35	2,627,360.35
1-Aug-16	2,627,360.35	6,694.37	22,273.98	28,968.35	2,605,086.37
1-Sep-16	2,605,086.37	6,637.62	22,330.73	28,968.35	2,582,755.63
1-Oct-16	2,582,755.63	6,368.44	22,599.91	28,968.35	2,560,155.72
1-Nov-16	2,560,155.72	6,523.14	22,445.21	28,968.35	2,537,710.51
1-Dec-16	2,537,710.51	6,257.37	22,710.98	28,968.35	2,514,999.53
1-Jan-17	2,514,999.53	6,408.08	22,560.27	28,968.35	2,492,439.26
1-Feb-17	2,492,439.26	6,350.60	22,617.75	28,968.35	2,469,821.51
1-Mar-17	2,469,821.51	5,683.97	23,284.38	28,968.35	2,446,537.13
1-Apr-17	2,446,537.13	6,233.64	22,734.71	28,968.35	2,423,802.42
1-May-17	2,423,802.42	5,976.50	22,991.85	28,968.35	2,400,810.57
1-Jun-17	2,400,810.57	6,117.13	22,851.22	28,968.35	2,377,959.35
1-Jul-17	2,377,959.35	5,863.46	23,104.89	28,968.35	2,354,854.47
1-Aug-17	2,354,854.47	6,000.04	22,968.31	28,968.35	2,331,886.16
1-Sep-17	2,331,886.16	5,941.52	23,026.83	28,968.35	2,308,859.32
1-Oct-17	2,308,859.32	5,693.08	23,275.27	28,968.35	2,285,584.05
1-Nov-17	2,285,584.05	5,823.54	23,144.81	28,968.35	2,262,439.25
1-Dec-17	2,262,439.25	5,578.62	23,389.73	28,968.35	2,239,049.51
1-Jan-18	2,239,049.51	5,704.98	23,263.37	28,968.35	2,215,786.14
1-Feb-18	2,215,786.14	5,645.70	23,322.65	28,968.35	2,192,463.49
1-Mar-18	2,192,463.49	5,045.67	23,922.68	28,968.35	2,168,540.81
1-Apr-18	2,168,540.81	5,525.32	23,443.03	28,968.35	2,145,097.78
1-May-18	2,145,097.78	5,289.28	23,679.07	28,968.35	2,121,418.71
1-Jun-18	2,121,418.71	5,405.26	23,563.09	28,968.35	2,097,855.62
1-Jul-18	2,097,855.62	5,172.79	23,795.56	28,968.35	2,074,060.07
1-Aug-18	2,074,060.07	5,284.59	23,683.76	28,968.35	2,050,376.31
1-Sep-18	2,050,376.31	5,224.25	23,744.10	28,968.35	2,026,632.21
1-Oct-18	2,026,632.21	4,997.18	23,971.17	28,968.35	2,002,661.03
1-Nov-18	2,002,661.03	5,102.67	23,865.68	28,968.35	1,978,795.35
1-Dec-18	1,978,795.35	4,879.22	24,089.13	28,968.35	1,954,706.22
1-Jan-19	1,954,706.22	4,980.48	23,987.87	28,968.35	1,930,718.36
1-Feb-19	1,930,718.36	4,919.36	24,048.99	28,968.35	1,906,669.37
1-Mar-19	1,906,669.37	4,387.95	24,580.40	28,968.35	1,882,088.97
1-Apr-19	1,882,088.97	4,795.46	24,172.89	28,968.35	1,857,916.08
1-May-19	1,857,916.08	4,581.16	24,387.19	28,968.35	1,833,528.90
1-Jun-19	1,833,528.90	4,671.73	24,296.62	28,968.35	1,809,232.28
1-Jul-19	1,809,232.28	4,461.12	24,507.23	28,968.35	1,784,725.05
1-Aug-19	1,784,725.05	4,547.38	24,420.97	28,968.35	1,760,304.08
1-Sep-19	1,760,304.08	4,485.16	24,483.19	28,968.35	1,735,820.89
1-Oct-19	1,735,820.89	4,280.11	24,688.24	28,968.35	1,711,132.64

1-Nov-19	1,711,132.64	4,359.87	24,608.48	28,968.35	1,686,524.17
1-Dec-19	1,686,524.17	4,158.55	24,809.80	28,968.35	1,661,714.37
1-Jan-20	1,661,714.37	4,233.96	24,734.39	28,968.35	1,636,979.98
1-Feb-20	1,636,979.98	4,170.94	24,797.41	28,968.35	1,612,182.56
1-Mar-20	1,612,182.56	3,842.74	25,125.61	28,968.35	1,587,056.95
1-Apr-20	1,587,056.95	4,043.73	24,924.62	28,968.35	1,562,132.33
1-May-20	1,562,132.33	3,851.83	25,116.52	28,968.35	1,537,015.82
1-Jun-20	1,537,015.82	3,916.23	25,052.12	28,968.35	1,511,963.70
1-Jul-20	1,511,963.70	3,728.13	25,240.22	28,968.35	1,486,723.48
1-Aug-20	1,486,723.48	3,788.09	25,180.26	28,968.35	1,461,543.22
1-Sep-20	1,461,543.22	3,723.93	25,244.42	28,968.35	1,436,298.80
1-Oct-20	1,436,298.80	3,541.56	25,426.79	28,968.35	1,410,872.01
1-Nov-20	1,410,872.01	3,594.82	25,373.53	28,968.35	1,385,498.48
1-Dec-20	1,385,498.48	3,416.30	25,552.05	28,968.35	1,359,946.43
1-Jan-21	1,359,946.43	3,465.07	25,503.28	28,968.35	1,334,443.15
1-Feb-21	1,334,443.15	3,400.09	25,568.26	28,968.35	1,308,874.89
1-Mar-21	1,308,874.89	3,012.21	25,956.14	28,968.35	1,282,918.74
1-Apr-21	1,282,918.74	3,268.81	25,699.54	28,968.35	1,257,219.20
1-May-21	1,257,219.20	3,099.99	25,868.36	28,968.35	1,231,350.84
1-Jun-21	1,231,350.84	3,137.41	25,830.94	28,968.35	1,205,519.91
1-Jul-21	1,205,519.91	2,972.51	25,995.84	28,968.35	1,179,524.07
1-Aug-21	1,179,524.07	3,005.36	25,962.99	28,968.35	1,153,561.08
1-Sep-21	1,153,561.08	2,939.21	26,029.14	28,968.35	1,127,531.94
1-Oct-21	1,127,531.94	2,780.22	26,188.13	28,968.35	1,101,343.81
1-Nov-21	1,101,343.81	2,806.16	26,162.19	28,968.35	1,075,181.62
1-Dec-21	1,075,181.62	2,651.13	26,317.22	28,968.35	1,048,864.41
1-Jan-22	1,048,864.41	2,672.45	26,295.90	28,968.35	1,022,568.50
1-Feb-22	1,022,568.50	2,605.45	26,362.90	28,968.35	996,205.60
1-Mar-22	996,205.60	2,292.64	26,675.71	28,968.35	969,529.89
1-Apr-22	969,529.89	2,470.31	26,498.04	28,968.35	943,031.85
1-May-22	943,031.85	2,325.28	26,643.07	28,968.35	916,388.78
1-Jun-22	916,388.78	2,334.91	26,633.44	28,968.35	889,755.34
1-Jul-22	889,755.34	2,193.92	26,774.43	28,968.35	862,980.91
1-Aug-22	862,980.91	2,198.83	26,769.52	28,968.35	836,211.39
1-Sep-22	836,211.39	2,130.62	26,837.73	28,968.35	809,373.66
1-Oct-22	809,373.66	1,995.72	26,972.63	28,968.35	782,401.02
1-Nov-22	782,401.02	1,993.51	26,974.84	28,968.35	755,426.19
1-Dec-22	755,426.19	1,862.69	27,105.66	28,968.35	728,320.53
1-Jan-23	728,320.53	1,855.72	27,112.63	28,968.35	701,207.90
1-Feb-23	701,207.90	1,786.64	27,181.71	28,968.35	674,026.19
1-Mar-23	674,026.19	1,551.18	27,417.17	28,968.35	646,609.03
1-Apr-23	646,609.03	1,647.52	27,320.83	28,968.35	619,288.20
1-May-23	619,288.20	1,527.01	27,441.34	28,968.35	591,846.86
1-Jun-23	591,846.86	1,507.99	27,460.36	28,968.35	564,386.51
1-Jul-23	564,386.51	1,391.64	27,576.71	28,968.35	536,809.80
1-Aug-23	536,809.80	1,367.76	27,600.59	28,968.35	509,209.21
1-Sep-23	509,209.21	1,297.44	27,670.91	28,968.35	481,538.29
1-Oct-23	481,538.29	1,187.35	27,781.00	28,968.35	453,757.30
1-Nov-23	453,757.30	1,156.15	27,812.20	28,968.35	425,945.10
1-Dec-23	425,945.10	1,050.28	27,918.07	28,968.35	398,027.02
1-Jan-24	398,027.02	1,014.15	27,954.20	28,968.35	370,072.82
1-Feb-24	370,072.82	942.93	28,025.42	28,968.35	342,047.40
1-Mar-24	342,047.40	815.29	28,153.06	28,968.35	313,894.34
1-Apr-24	313,894.34	799.79	28,168.56	28,968.35	285,725.78
1-May-24	285,725.78	704.53	28,263.82	28,968.35	257,461.96
1-Jun-24	257,461.96	656.00	28,312.35	28,968.35	229,149.60
1-Jul-24	229,149.60	565.03	28,403.32	28,968.35	200,746.28
1-Aug-24	200,746.28	511.49	28,456.86	28,968.35	172,289.42
1-Sep-24	172,289.42	438.98	28,529.37	28,968.35	143,760.06
1-Oct-24	143,760.06	354.48	28,613.87	28,968.35	115,146.18
1-Nov-24	115,146.18	293.39	28,674.96	28,968.35	86,471.22
1-Dec-24	86,471.22	213.22	28,755.13	28,968.35	57,716.09
1-Jan-25	57,716.09	147.06	28,821.29	28,968.35	28,894.79
1-Feb-25	28,894.79	73.62	28,894.79	28,968.42	-

APPENDIX

5C

2019 NIAGARA-ON-THE-LAKE HYDRO
**COST OF SERVICE
RATE APPLICATION**
EB-2018-0056



**THE CORPORATION
OF THE
TOWN OF NIAGARA-ON-THE-LAKE
BY-LAW NO. 4833-15**

A BY-LAW TO AUTHORIZE A LOAN AGREEMENT BETWEEN THE
CORPORATION OF THE TOWN OF NIAGARA-ON-THE-LAKE AND
NIAGARA-ON-THE-LAKE HYDRO INC.

**BE IT ENACTED AS A BY-LAW OF THE CORPORATION OF THE TOWN OF
NIAGARA-ON-THE-LAKE as follows:**

1. THAT the Loan Agreement dated the 1st day of October 2015 between
The Corporation of the Town of Niagara-on-the-Lake and Niagara-on-the-
Lake Hydro Inc., be and the same is hereby approved; and
2. THAT the Lord Mayor and Clerk be authorized to affix their hands and the
Corporate Seal; and
3. THAT this by-law shall come into force and take effect immediately upon
the passing thereof.

**READ A FIRST, SECOND AND THIRD TIME AND PASSED THIS 21st DAY
OF SEPTEMBER 2015**



LORD MAYOR PAT DARTE



TOWN CLERK HOLLY DOWD

THE AGREEMENT IS DATED THIS 21st DAY OF SEPTEMBER 2015

The Corporation of the Town of Niagara-on-the-Lake (NOTL) and Niagara-on-the-Lake Hydro Inc. (Hydro) agree to establish the following credit facility.

Callable Instalment Loan criteria:

Date:	October 1, 2015
Lender:	NOTL
Borrower:	Hydro
Loan Amount:	\$2,000,000.00
Purpose:	To finance the purchase of ongoing capital expenditures.
Interest Rate:	3.0%
Repayment:	By regular monthly payments of \$19,312.23 each, principal plus accrued interest which reflects the interest rate above, amortizing over a period of ten years.
Call Option	Subject to providing 45 days' notice, NOTL shall have the option to require Hydro to repay all or any part of the remaining facility.

Covenants

Good Standing:

Hydro will maintain in good standing all consents, licences and permits necessary to operate its business.

Regulatory Compliance:

Hydro will conduct its business in compliance with market rules for the Ontario electricity market as established by the Ontario Energy Board and any other applicable regulatory body.

Notice of Litigation and Demand and Default:

Hydro will advise NOTL immediately upon the occurrence of any material litigation against Hydro or any event of default or demand for repayment of any credit provided to Hydro by any other lender.

Payments:

Hydro will make all payments in lieu of taxes when due.

Insurance:

Hydro will maintain adequate insurance in amount and type customary for a business of this nature.

Address:
P.O. Box 100
1593 Four Mile Creek Road
Virgil, ON L0S 1T0


**THE CORPORATION OF THE TOWN
OF NIAGARA-ON-THE-LAKE**

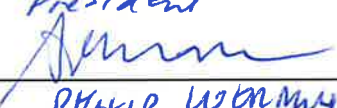
By: 
Name: Pat Darte
Title: Lord Mayor

By: 
Name: Holly Dowd
Title: Town Clerk

Address:
PO Box 460, 8 Henegan Rd.
Virgil, Ontario L0S 1T0

NIAGARA-ON-THE-LAKE HYDRO INC.

By: 
Name: Timothy B. Corbis
Title: President

By: 
Name: PHILIP WOMMWELL
Title: Director of Corporate
Services

Niagara-on-the-Lake Hydro Inc

2015 Capital Works Loan from the Town of Niagara-on-the-Lake

Repayment Schedule

Interest rate and monthly payment 3.00% 19312.23

Date	Opening Balance	Interest	Principal Repayment	Total payment	Closing Balance
1-Oct-15	2,000,000.00	-	-	-	2,000,000.00
1-Nov-15	2,000,000.00	5,095.89	14,216.34	19,312.23	1,985,783.66
1-Dec-15	1,985,783.66	4,896.45	14,415.78	19,312.23	1,971,367.88
1-Jan-16	1,971,367.88	5,022.94	14,289.29	19,312.23	1,957,078.59
1-Feb-16	1,957,078.59	4,986.53	14,325.70	19,312.23	1,942,752.89
1-Mar-16	1,942,752.89	4,630.67	14,681.56	19,312.23	1,928,071.33
1-Apr-16	1,928,071.33	4,912.62	14,399.61	19,312.23	1,913,671.72
1-May-16	1,913,671.72	4,718.64	14,593.59	19,312.23	1,899,078.13
1-Jun-16	1,899,078.13	4,838.75	14,473.48	19,312.23	1,884,604.65
1-Jul-16	1,884,604.65	4,646.97	14,665.26	19,312.23	1,869,939.39
1-Aug-16	1,869,939.39	4,764.50	14,547.73	19,312.23	1,855,391.66
1-Sep-16	1,855,391.66	4,727.44	14,584.79	19,312.23	1,840,806.87
1-Oct-16	1,840,806.87	4,538.98	14,773.25	19,312.23	1,826,033.62
1-Nov-16	1,826,033.62	4,652.63	14,659.60	19,312.23	1,811,374.02
1-Dec-16	1,811,374.02	4,466.40	14,845.83	19,312.23	1,796,528.19
1-Jan-17	1,796,528.19	4,577.46	14,734.77	19,312.23	1,781,793.42
1-Feb-17	1,781,793.42	4,539.91	14,772.32	19,312.23	1,767,021.10
1-Mar-17	1,767,021.10	4,066.57	15,245.66	19,312.23	1,751,775.44
1-Apr-17	1,751,775.44	4,463.43	14,848.80	19,312.23	1,736,926.64
1-May-17	1,736,926.64	4,282.83	15,029.40	19,312.23	1,721,897.24
1-Jun-17	1,721,897.24	4,387.30	14,924.93	19,312.23	1,706,972.31
1-Jul-17	1,706,972.31	4,208.97	15,103.26	19,312.23	1,691,869.05
1-Aug-17	1,691,869.05	4,310.79	15,001.44	19,312.23	1,676,867.61
1-Sep-17	1,676,867.61	4,272.57	15,039.66	19,312.23	1,661,827.95
1-Oct-17	1,661,827.95	4,097.66	15,214.57	19,312.23	1,646,613.38
1-Nov-17	1,646,613.38	4,195.48	15,116.75	19,312.23	1,631,496.63
1-Dec-17	1,631,496.63	4,022.87	15,289.36	19,312.23	1,616,207.26
1-Jan-18	1,616,207.26	4,118.01	15,194.22	19,312.23	1,601,013.04
1-Feb-18	1,601,013.04	4,079.29	15,232.94	19,312.23	1,585,780.11
1-Mar-18	1,585,780.11	3,649.47	15,662.76	19,312.23	1,570,117.34
1-Apr-18	1,570,117.34	4,000.57	15,311.66	19,312.23	1,554,805.69
1-May-18	1,554,805.69	3,833.77	15,478.46	19,312.23	1,539,327.22
1-Jun-18	1,539,327.22	3,922.12	15,390.11	19,312.23	1,523,937.11
1-Jul-18	1,523,937.11	3,757.65	15,554.58	19,312.23	1,508,382.54
1-Aug-18	1,508,382.54	3,843.28	15,468.95	19,312.23	1,492,913.58
1-Sep-18	1,492,913.58	3,803.86	15,508.37	19,312.23	1,477,405.22
1-Oct-18	1,477,405.22	3,642.92	15,669.31	19,312.23	1,461,735.90
1-Nov-18	1,461,735.90	3,724.42	15,587.81	19,312.23	1,446,148.10
1-Dec-18	1,446,148.10	3,565.84	15,746.39	19,312.23	1,430,401.71
1-Jan-19	1,430,401.71	3,644.59	15,667.64	19,312.23	1,414,734.07
1-Feb-19	1,414,734.07	3,604.66	15,707.57	19,312.23	1,399,026.50
1-Mar-19	1,399,026.50	3,219.68	16,092.55	19,312.23	1,382,933.95
1-Apr-19	1,382,933.95	3,523.64	15,788.59	19,312.23	1,367,145.36
1-May-19	1,367,145.36	3,371.04	15,941.19	19,312.23	1,351,204.17
1-Jun-19	1,351,204.17	3,442.79	15,869.44	19,312.23	1,335,334.73
1-Jul-19	1,335,334.73	3,292.61	16,019.62	19,312.23	1,319,315.11
1-Aug-19	1,319,315.11	3,361.54	15,950.69	19,312.23	1,303,364.42
1-Sep-19	1,303,364.42	3,320.90	15,991.33	19,312.23	1,287,373.09
1-Oct-19	1,287,373.09	3,174.34	16,137.89	19,312.23	1,271,235.21
1-Nov-19	1,271,235.21	3,239.04	16,073.19	19,312.23	1,255,162.02
1-Dec-19	1,255,162.02	3,094.92	16,217.31	19,312.23	1,238,944.71
1-Jan-20	1,238,944.71	3,156.76	16,155.47	19,312.23	1,222,789.24
1-Feb-20	1,222,789.24	3,115.60	16,196.63	19,312.23	1,206,592.61
1-Mar-20	1,206,592.61	2,875.99	16,436.24	19,312.23	1,190,156.37
1-Apr-20	1,190,156.37	3,032.45	16,279.78	19,312.23	1,173,876.59
1-May-20	1,173,876.59	2,894.49	16,417.74	19,312.23	1,157,458.85
1-Jun-20	1,157,458.85	2,949.14	16,363.09	19,312.23	1,141,095.76

1-Jul-20	1,141,095.76	2,813.66	16,498.57	19,312.23	1,124,597.19
1-Aug-20	1,124,597.19	2,865.41	16,446.82	19,312.23	1,108,150.38
1-Sep-20	1,108,150.38	2,823.51	16,488.72	19,312.23	1,091,661.65
1-Oct-20	1,091,661.65	2,691.77	16,620.46	19,312.23	1,075,041.19
1-Nov-20	1,075,041.19	2,739.15	16,573.08	19,312.23	1,058,468.11
1-Dec-20	1,058,468.11	2,609.92	16,702.31	19,312.23	1,041,765.80
1-Jan-21	1,041,765.80	2,654.36	16,657.87	19,312.23	1,025,107.93
1-Feb-21	1,025,107.93	2,611.92	16,700.31	19,312.23	1,008,407.62
1-Mar-21	1,008,407.62	2,320.72	16,991.51	19,312.23	991,416.11
1-Apr-21	991,416.11	2,526.07	16,786.16	19,312.23	974,629.95
1-May-21	974,629.95	2,403.20	16,909.03	19,312.23	957,720.92
1-Jun-21	957,720.92	2,440.22	16,872.01	19,312.23	940,848.91
1-Jul-21	940,848.91	2,319.90	16,992.33	19,312.23	923,856.58
1-Aug-21	923,856.58	2,353.94	16,958.29	19,312.23	906,898.29
1-Sep-21	906,898.29	2,310.73	17,001.50	19,312.23	889,896.78
1-Oct-21	889,896.78	2,194.27	17,117.96	19,312.23	872,778.82
1-Nov-21	872,778.82	2,223.79	17,088.44	19,312.23	855,690.38
1-Dec-21	855,690.38	2,109.92	17,202.31	19,312.23	838,488.07
1-Jan-22	838,488.07	2,136.42	17,175.81	19,312.23	821,312.27
1-Feb-22	821,312.27	2,092.66	17,219.57	19,312.23	804,092.69
1-Mar-22	804,092.69	1,850.51	17,461.72	19,312.23	786,630.98
1-Apr-22	786,630.98	2,004.29	17,307.94	19,312.23	769,323.04
1-May-22	769,323.04	1,896.96	17,415.27	19,312.23	751,907.77
1-Jun-22	751,907.77	1,915.82	17,396.41	19,312.23	734,511.36
1-Jul-22	734,511.36	1,811.12	17,501.11	19,312.23	717,010.26
1-Aug-22	717,010.26	1,826.90	17,485.33	19,312.23	699,524.93
1-Sep-22	699,524.93	1,782.35	17,529.88	19,312.23	681,995.05
1-Oct-22	681,995.05	1,681.63	17,630.60	19,312.23	664,364.45
1-Nov-22	664,364.45	1,692.76	17,619.47	19,312.23	646,744.99
1-Dec-22	646,744.99	1,594.71	17,717.52	19,312.23	629,027.47
1-Jan-23	629,027.47	1,602.73	17,709.50	19,312.23	611,317.97
1-Feb-23	611,317.97	1,557.60	17,754.63	19,312.23	593,563.34
1-Mar-23	593,563.34	1,366.01	17,946.22	19,312.23	575,617.12
1-Apr-23	575,617.12	1,466.64	17,845.59	19,312.23	557,771.53
1-May-23	557,771.53	1,375.33	17,936.90	19,312.23	539,834.63
1-Jun-23	539,834.63	1,375.47	17,936.76	19,312.23	521,897.87
1-Jul-23	521,897.87	1,286.87	18,025.36	19,312.23	503,872.51
1-Aug-23	503,872.51	1,283.84	18,028.39	19,312.23	485,844.12
1-Sep-23	485,844.12	1,237.90	18,074.33	19,312.23	467,769.79
1-Oct-23	467,769.79	1,153.40	18,158.83	19,312.23	449,610.97
1-Nov-23	449,610.97	1,145.58	18,166.65	19,312.23	431,444.32
1-Dec-23	431,444.32	1,063.84	18,248.39	19,312.23	413,195.93
1-Jan-24	413,195.93	1,052.80	18,259.43	19,312.23	394,936.50
1-Feb-24	394,936.50	1,006.28	18,305.95	19,312.23	376,630.55
1-Mar-24	376,630.55	897.72	18,414.51	19,312.23	358,216.04
1-Apr-24	358,216.04	912.71	18,399.52	19,312.23	339,816.52
1-May-24	339,816.52	837.90	18,474.33	19,312.23	321,342.20
1-Jun-24	321,342.20	818.76	18,493.47	19,312.23	302,848.73
1-Jul-24	302,848.73	746.75	18,565.48	19,312.23	284,283.25
1-Aug-24	284,283.25	724.34	18,587.89	19,312.23	265,695.36
1-Sep-24	265,695.36	676.98	18,635.25	19,312.23	247,060.10
1-Oct-24	247,060.10	609.19	18,703.04	19,312.23	228,357.06
1-Nov-24	228,357.06	581.84	18,730.39	19,312.23	209,626.67
1-Dec-24	209,626.67	516.89	18,795.34	19,312.23	190,831.33
1-Jan-25	190,831.33	486.23	18,826.00	19,312.23	172,005.33
1-Feb-25	172,005.33	438.26	18,873.97	19,312.23	153,131.36
1-Mar-25	153,131.36	352.41	18,959.82	19,312.23	134,171.54
1-Apr-25	134,171.54	341.86	18,970.37	19,312.23	115,201.17
1-May-25	115,201.17	284.06	19,028.17	19,312.23	96,173.00
1-Jun-25	96,173.00	245.04	19,067.19	19,312.23	77,105.81
1-Jul-25	77,105.81	190.12	19,122.11	19,312.23	57,983.71
1-Aug-25	57,983.71	147.74	19,164.49	19,312.23	38,819.22
1-Sep-25	38,819.22	98.91	19,213.32	19,312.23	19,605.90
1-Oct-25	19,605.90	48.34	19,605.90	19,654.24	-