

COST OF CAPITAL AND CAPITAL STRUCTURE

1. INTRODUCTION

This Schedule provides an overview of Hydro Ottawa's capital structure, financing approach, costs associated with short-term and long-term debt, and the calculation of Return on Equity ("ROE") as required under section 2.5 of the *Chapter 2 Filing Requirements for Electricity Distribution Rate Applications*, as updated on July 12, 2018 and addended on July 15, 2019.

2. CAPITAL STRUCTURE

Hydro Ottawa's capital structure is set in accordance with the OEB guidelines provided in the *Report of the Board on the Cost of Capital for Ontario's Regulated Utilities* issued in 2009 (the "OEB Cost of Capital Report").¹ Hydro Ottawa targets a 60:40 debt to equity range, as evidenced by the utility's past and current practices. The 60% debt component is comprised of a targeted split between 56% long-term debt and 4% short-term debt.

Attachment 5-1-1(A): Appendix 2-OA - Capital Structure and Cost of Capital outlines Hydro Ottawa's capital structure for both the OEB-approved years of 2016-2020 and the Test Years of 2021-2025.

3. FINANCING APPROACH

Hydro Ottawa continues to use a financing approach whereby funding is received through its parent company, Hydro Ottawa Holding Inc. ("Holding Company"). All external debt is managed by the Holding Company as it maintains a strong investment grade credit rating at the parent company level for financing purposes. This credit rating is required for the Holding Company to issue private debt issuances into the Canadian debt market to support its subsidiaries/affiliates' financing requirements. Hydro Ottawa receives all of its financing from the Holding Company via intercompany loans on a "pass through" basis for the rates, terms, and conditions that the Holding Company receives from the external markets.

¹ Ontario Energy Board, *Report of the Board on the Cost of Capital for Ontario's Regulated Utilities*, EB-2009-0084 (December 11, 2009).

1 It is Hydro Ottawa's intention to provide regulatory efficiency and rate stability over the five-year
2 term of this Application by committing to the cost of capital parameters shown for each year and
3 to not make any updates to any component of the cost of capital for the period covered.

4 5 **3.1. CREDIT RATING**

6 The current credit rating for the Holding Company by Dominion Bond Rating Service ("DBRS")
7 is "A" / Negative Trend and by Standard and Poor's Global ("S&P") "BBB+" / Stable.

8
9 The most recent credit rating reports are provided in Attachment 1-3-4(A): Ratings Report for
10 Hydro Ottawa Holding Inc. issued by Dominion Bond Rating Service and Attachment 1-3-4(B):
11 Ratings Report for Hydro Ottawa Holding Inc. issued by Standard and Poor's.

12 13 **3.2. SHORT-TERM DEBT**

14 The Holding Company maintains short-term credit facilities to support the liquidity needs of
15 Hydro Ottawa. These facilities are used to cover periodic working capital deficiencies, bridge
16 financing requirements until long-term debt is warranted, and post required prudentials with the
17 Independent Electricity System Operator ("IESO").

18
19 The cost of short-term financing is passed onto Hydro Ottawa on the same terms and conditions
20 that the Holding Company receives from external markets through its credit facilities. Terms and
21 conditions of short-term borrowings are governed by the "Credit Agreement" dated January 1,
22 2009, which is appended to this Application as Attachment 5-1-1(C): Credit Agreement as
23 Amended.

24
25 For the purpose of this Application, Hydro Ottawa has utilized the short-term debt rate of 2.75%,
26 as provided in the OEB's 2020 Cost of Capital Parameters letter dated October 31, 2019, for the
27 years 2021-2025.² This will provide regulatory efficiency and rate stability by leaving this rate in
28 effect until December 31, 2025.

² Ontario Energy Board, Letter re: *2020 Cost of Capital Parameters* (October 31, 2019).

3.3. LONG-TERM DEBT

As required, the Holding Company issues long-term debt to support the financing requirements of Hydro Ottawa. Similar to short-term financing, the costs associated with long-term financing are also passed on to Hydro Ottawa on the same terms and conditions as the Holding Company receives from the external markets.

In the absence of associated external financing at the Holding Company level, long-term debt is charged to Hydro Ottawa at the deemed cost of debt as calculated at the time of the fund transfer, as per the methodology of the OEB Cost of Capital Report. All debt using a deemed rate accumulates until the next external long-term financing is conducted by the Holding Company, at which time the deemed rates are converted into the new rate, terms, and conditions as per the external bond issuance, which includes the actual cost of debt plus any incurred issuance costs. Any issuance costs are amortized over a five-year period which is consistent with the write-off for tax purposes.

By using this approach, Hydro Ottawa primarily relies on the embedded or actual cost of long-term debt and only uses the deemed long-term debt rate as a proxy to bridge the period between external financings.

The markets are not receptive to long-term debt issuances under \$100M due to liquidity and listing requirements, and therefore smaller issuances, if attainable, would dictate premium pricing. As well, smaller and more frequent issuances will incur more costs than larger, less frequent issuances due to the fixed nature of most of the required issuance costs. The financing arrangement between Hydro Ottawa and the Holding Company is beneficial to both Hydro Ottawa and ratepayers, as it allows the utility to target the deemed capital structure and borrow in smaller tranches (without paying premiums) than would otherwise be attainable in the financial markets.

1 If the Holding Company has not issued any new external debt when the aggregate of Hydro
2 Ottawa's smaller debt issuances using the deemed long-term debt rate reach a quantum where
3 an external bond issuance would otherwise be prudent and cost-effective (generally
4 approximately \$150M-\$250M for Hydro Ottawa), the indicative borrowing rate for the Holding
5 Company will be utilized to emulate an external issuance at that time.

6
7 Accordingly, on October 16, 2019, Hydro Ottawa issued two new promissory notes to the
8 Holding Company comprised of tenures of 10 years and 30 years, for a combined aggregate
9 principal of \$250M. The 10-year and 30-year promissory notes bear interest at a fixed rate of
10 2.66% and 3.21%, respectively. The rates for the promissory notes were based on the prevailing
11 BMO Capital Markets weekly indicative rates for the Holding Company, with no allowance for
12 issuance costs. With this issuance, Hydro Ottawa secured long-term financing at a time when
13 the Government of Canada 10-year and 30-year bond yields were close to historical lows. The
14 proceeds from this issuance were used to convert the \$180M of accumulated long-term debt
15 using the deemed rate at a weighted average rate of 3.94%, as well as to reduce the short-term
16 borrowings by \$70M in order to bring the short-term amount in line with the deemed capital
17 structure of 4%. Hydro Ottawa has reflected these rates in the weighted average long-term debt
18 rates for 2019-2025, as calculated in Attachment 5-1-1(B): OEB Appendix 2-OB - Debt
19 Instruments.

20
21 As shown in Attachment 5-1-1(B): Appendix 2-OB - Debt Instruments, this issuance has
22 reduced the weighted average cost of existing embedded long-term debt as of December 31,
23 2020 to 3.35%.

24
25 The financial strength of the Holding Company and this type of financing arrangement optimizes
26 Hydro Ottawa's borrowing requirements on both short-term and long-term financing. It provides
27 financing to Hydro Ottawa in tranches that meets its capital structure requirements using both
28 actual and deemed rates in an objective and transparent manner. In turn, this minimizes
29 borrowing costs for the utility and ratepayers, as can be seen by the weighted average

1 long-term debt rate forecast range of 3.35% to 3.69% for the years 2021-2025 shown in Table 3
2 below.

3
4 The current long-term debt notes issued by Hydro Ottawa are included as the following
5 Attachments to this Schedule:

- 6
- 7 • Attachment 5-1-1(D): Grid Promissory Note
- 8 • Attachment 5-1-1(E): Hydro Ottawa Limited \$138.667M Promissory Note
- 9 • Attachment 5-1-1(F): Hydro Ottawa Limited \$121.333M Promissory Note
- 10 • Attachment 5-1-1(G): Hydro Ottawa Limited \$107.185M Promissory Note
- 11 • Attachment 5-1-1(H): Hydro Ottawa Limited \$50M Promissory Note
- 12 • Attachment 5-1-1(I): Hydro Ottawa Limited \$15.999M Promissory Note
- 13 • Attachment 5-1-1(J): Hydro Ottawa Limited \$14.001M Promissory Note
- 14 • Attachment 5-1-1(K): Hydro Ottawa Limited \$87.5M Promissory Note
- 15 • Attachment 5-1-1(L): Hydro Ottawa Limited \$162.5M Promissory Note
- 16

17 There was no profit or loss on redemption of debt.

18 19 **3.4. ANTICIPATED LONG-TERM DEBT**

20 Hydro Ottawa plans to issue further long-term debt to support its ongoing capital expenditure
21 requirements, as presented in this Application. The anticipated additional borrowing requirement
22 for Hydro Ottawa from 2021-2025 is outlined in Table 1 below.

1

Table 1 – Anticipated Long-Term Borrowing Requirements (\$'000,000s)

Year	Amount
2021	\$80.0
2022	\$0.0
2023	\$60.0
2024	\$0.0
2025	\$0.0

2

3 **3.5. COST OF LONG-TERM DEBT**

4 The long-term debt rate is calculated as the weighted average rate of existing embedded debt
5 and forecast debt planned to be issued from 2021-2025. The calculation to determine the
6 anticipated long-term debt rate is comprised of three components:

7

- 8 • The forecast Government of Canada 10-year bond yield;
- 9 • The 30-year to 10-year Government of Canada bond yield spread; and
- 10 • The Hydro Ottawa credit risk spread.

11

12 The use of these three components emulates the calculation of the OEB Cost of Capital Report.

13

14 The underlying forecast for the Government of Canada 10-year yield is that which is presented
15 in the October 2019 Consensus Long-Term Forecast (which is issued twice per year, in October
16 and April).

17

18 Hydro Ottawa 10-year bonds are forecast by adding the Hydro Ottawa historical credit spread of
19 112 basis points (“bps”) for 10-year bonds to the forecast Government of Canada 10-year yield.

20

The 30-year Government of Canada bond yield is calculated using the Consensus Long-Term Forecast 10-year bond yield plus 44 bps, which as of October 2019 is the historical five-year average spread of the 30-year over 10-year Government of Canada bond yield, as calculated per the OEB Cost of Capital Report.

Hydro Ottawa 30-year bonds are then forecast by adding the Hydro Ottawa historical credit spread of 148 bps for 30-year bonds to the forecast 30-year Government of Canada yields.

The Hydro Ottawa historical credit spreads used for 10-year and 30-year bonds are as of October 2019 and are based on the average Bank of Montreal (“BMO”) Capital Markets indicative spreads over the past two-and-a-half years for the Holding Company. Table 2 summarizes the forecasted Hydro Ottawa long-term debt rates for 10-year and 30-year debt issuances for 2021-2025.

Table 2 – Forecast Yield for Long-Term Debt Issuances (2021-2025)

Year	Govt. of Canada 10-Year Yield (based on October 2019 Consensus Forecast) ³	Hydro Ottawa Historical 10-Year Spread	Forecast Hydro Ottawa Yield 10-Year Bonds	Historical Spread (30-Year Govt. Yield over 10-Year Govt. Yield)	Govt. of Canada 30-Year Yield	Hydro Ottawa Historical 30-Year Spread	Forecast Hydro Ottawa Yield 30-Year Bonds
2021	1.95%	112 bps	3.07%	44 bps	2.39%	148 bps	3.87%
2022	2.45%	112 bps	3.57%	44 bps	2.89%	148 bps	4.37%
2023	2.80%	112 bps	3.92%	44 bps	3.24%	148 bps	4.72%
2024	3.00%	112 bps	4.12%	44 bps	3.44%	148 bps	4.92%
2025	3.10%	112 bps	4.22%	44 bps	3.54%	148 bps	5.02%

Hydro Ottawa has used the forecasted weighted average long-term debt rates for calculating revenue requirement for 2021-2025, as shown in Table 3 below.

³ This is the average percentage for mid-year issuance.

Table 3 – Forecast Weighted Average Long-Term Debt Rate

Year	Rate
2021	3.35%
2022	3.36%
2023	3.40%
2024	3.44%
2025	3.69%

The weighted average long-term debt rate reflects the Hydro Ottawa historical and prospective allocation of debt issuances between 10-year and 30-year tenures of 35% and 65%, respectively.

Attachment 5-1-1(B): Appendix 2-OB - Debt Instruments outlines the amounts and associated interest rates for all of the utility's long-term debt instruments as well as the weighted average long-term debt rate for the Historical, Bridge, and Test Years.

4. RETURN ON EQUITY

Hydro Ottawa has used a forecast ROE for the full five-year period covered by this Application. This is in line with the guidance set forth in the *Handbook for Utility Rate Applications*, which states that “the OEB expects there to be no further rate applications for annual updates within the five-year term” and “the OEB does not expect to address annual rate applications for updates for cost of capital.”⁴ Hydro Ottawa has followed this guidance and has proposed an ROE that balances Hydro Ottawa's expectation of a reasonable return with customers' needs for investment in the system, while providing regulatory efficiency. Hydro Ottawa has utilized the OEB's formulaic calculation in determining the forward-looking ROE.

⁴ Ontario Energy Board, *Handbook for Utility Rate Applications* (October 13, 2016), page 26.

1 The ROE calculation utilizes three components:

- 2
- 3 • The Consensus Forecast Government of Canada 10-year bond yield;
- 4 • The 30-year to 10-year Government of Canada bond yield spread; and
- 5 • Change in A-rated Utility Bond Yield Spread from September 2009.
- 6

7 The ROE calculation in the model utilizes Consensus Forecast forward-looking rates for 10-year
8 bonds on a three-month and 12-month basis. To forecast the ROE over the five-year period of
9 2021-2025, the October 2019 Consensus Long-Term Forecast was utilized using the average
10 annual yield for 10-year bonds.

11

12 Similar to long-term debt, the 30-year Government of Canada bond yield is then calculated
13 using the forecast 10-year bond yield plus 44 bps, which is the five-year historical average
14 spread of the 30-year over 10-year Government of Canada bond yield as calculated per the
15 OEB Cost of Capital Report.

16

17 To determine the change in A-rated 30-year Utility Bond Yield spreads, the five-year historical
18 average spread as utilized in the Cost of Capital calculations up to October 2019 was used. This
19 five-year historical average equals 154 bps.

20

21 The calculations for the ROE forecast using the three components for the OEB's formulaic
22 calculation for ROE are shown in Table 4 below.

Table 4 – 2021-2025 Forecast ROE

	2021	2022	2023	2024	2025
Long Canada Bond Forecast (“LCBF”)					
Consensus Forecast (@ December 31)	2.20%	2.70%	2.90%	3.10%	3.10%
Average for Year	1.95%	2.45%	2.80%	3.00%	3.10%
30-Year over 10-Year Govt. Spread	0.44%	0.44%	0.44%	0.44%	0.44%
LCBF	2.39%	2.89%	3.24%	3.44%	3.54%
ROE Forecast					
Initial ROE (A)	9.75%	9.75%	9.75%	9.75%	9.75%
Change in LCBF from September 2009					
LCBF	2.39%	2.89%	3.24%	3.44%	3.54%
Base LCBF (as per OEB Cost of Capital Report)	4.25%	4.25%	4.25%	4.25%	4.25%
Difference	(1.86)%	(1.36)%	(1.01)%	(0.81)%	(0.71)%
Difference X 0.5 (B)	(0.93)%	(0.68)%	(0.50)%	(0.40)%	(0.35)%
Change in A-rated Utility Bond Yield Spread from September 2009					
A-rated Utility Bond Yield Spread	1.54%	1.54%	1.54%	1.54%	1.54%
Base A-rated Utility Bond Yield Spread (as per OEB Cost of Capital Report)	1.42%	1.42%	1.42%	1.42%	1.42%
Difference	0.12%	0.12%	0.12%	0.12%	0.12%
Difference X 0.5 (C)	0.06%	0.06%	0.06%	0.06%	0.06%
FORECAST ROE (A+B+C)	8.88%	9.13%	9.31%	9.41%	9.46%

5. PREFERRED SHARES

Hydro Ottawa does not currently have any preferred shares issued nor has the utility forecasted for any issuance of preferred shares for the Bridge or Test Years.

Appendix 2-OA Capital Structure and Cost of Capital

This table must be completed for the last OEB-approved year and the test year.

OEB-approved year: 2016

Line No.	Particulars	Capitalization Ratio		Cost Rate		Return	
		(%)	(\$)	(%)		(\$)	
	Debt						
1	Long-term Debt	56.00%	\$466,546,818	3.53%		\$16,461,102	
2	Short-term Debt	4.00% (1)	\$33,324,773	2.16%		\$719,815	
3	Total Debt	60.0%	\$499,871,591	3.44%		\$17,180,917	
	Equity						
4	Common Equity	40.00%	\$333,247,727	9.19%		\$30,625,466	
5	Preferred Shares		\$ -			\$ -	
6	Total Equity	40.0%	\$333,247,727	9.19%		\$30,625,466	
7	Total	100.0%	\$833,119,318	5.74%		\$47,806,383	

Notes

(1)

4.0% unless an applicant has proposed or been approved for a different amount.

OEB-approved year: 2017

Line No.	Particulars	Capitalization Ratio		Cost Rate		Return	
		(%)	(\$)	(%)		(\$)	
	Debt						
1	Long-term Debt	56.00%	\$487,059,449	3.58%		\$17,460,502	
2	Short-term Debt	4.00% (1)	\$34,789,961	2.16%		\$751,463	
3	Total Debt	60.0%	\$521,849,410	3.49%		\$18,211,965	
	Equity						
4	Common Equity	40.00%	\$347,899,606	9.19%		\$31,971,974	
5	Preferred Shares		\$ -			\$ -	
6	Total Equity	40.0%	\$347,899,606	9.19%		\$31,971,974	
7	Total	100.0%	\$869,749,016	5.77%		\$50,183,939	

Notes

(1)

4.0% unless an applicant has proposed or been approved for a different amount.

OEB-approved year: 2018

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)		(\$)
	Debt				
1	Long-term Debt	56.00%	\$511,195,528	3.65%	\$18,653,109
2	Short-term Debt	4.00% (1)	\$36,513,966	2.16%	\$788,702
3	Total Debt	60.0%	\$547,709,495	3.55%	\$19,441,810
	Equity				
4	Common Equity	40.00%	\$365,139,663	9.19%	\$33,556,335
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$365,139,663	9.19%	\$33,556,335
7	Total	100.0%	\$912,849,158	5.81%	\$52,998,145

Notes

(1) 4.0% unless an applicant has proposed or been approved for a different amount.

OEB-approved year: 2019 (Bridge Year)

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)		(\$)
	Debt				
1	Long-term Debt	56.00%	\$524,229,507	3.70%	\$19,381,245
2	Short-term Debt	4.00% (1)	\$37,444,965	2.82%	\$1,055,948
3	Total Debt	60.0%	\$561,674,472	3.64%	\$20,437,193
	Equity				
4	Common Equity	40.00%	\$374,449,648	8.98%	\$33,625,578
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$374,449,648	8.98%	\$33,625,578
7	Total	100.0%	\$936,124,120	5.78%	\$54,062,771

Notes

(1) 4.0% unless an applicant has proposed or been approved for a different amount.

Last OEB-approved year: 2020 (Bridge Year)

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)		(\$)
	Debt				
1	Long-term Debt	56.00%	\$545,328,692	3.69%	\$20,135,291
2	Short-term Debt	4.00% (1)	\$38,952,049	2.82%	\$1,098,448
3	Total Debt	60.0%	\$584,280,741	3.63%	\$21,233,739
	Equity				
4	Common Equity	40.00%	\$389,520,494	8.98%	\$34,978,940
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$389,520,494	8.98%	\$34,978,940
7	Total	100.0%	\$973,801,235	5.77%	\$56,212,679

Notes

(1) 4.0% unless an applicant has proposed or been approved for a different amount.

Test Year: 2021

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)		(\$)
	Debt				
1	Long-term Debt	56.00%	\$682,449,585	3.35%	\$22,862,061
2	Short-term Debt	4.00% (1)	\$48,746,399	2.75%	\$1,340,526
3	Total Debt	60.0%	\$731,195,984	3.31%	\$24,202,587
	Equity				
4	Common Equity	40.00%	\$487,463,989	8.88%	\$43,286,802
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$487,463,989	8.88%	\$43,286,802
7	Total	100.0%	\$1,218,659,973	5.54%	\$67,489,389

Notes

(1) 4.0% unless an applicant has proposed or been approved for a different amount.

Test Year: 2022

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$730,196,317	3.36%	\$24,534,596
2	Short-term Debt	4.00% (1)	\$52,156,880	2.75%	\$1,434,314
3	Total Debt	60.0%	\$782,353,196	3.32%	\$25,968,910
	Equity				
4	Common Equity	40.00%	\$521,568,798	9.13%	\$47,619,231
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$521,568,798	9.13%	\$47,619,231
7	Total	100.0%	\$1,303,921,994	5.64%	\$73,588,142

Notes

(1) 4.0% unless an applicant has proposed or been approved for a different amount.

Test Year: 2023

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$755,786,982	3.40%	\$25,696,757
2	Short-term Debt	4.00% (1)	\$53,984,784	2.75%	\$1,484,582
3	Total Debt	60.0%	\$809,771,766	3.36%	\$27,181,339
	Equity				
4	Common Equity	40.00%	\$539,847,844	9.31%	\$50,259,834
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$539,847,844	9.31%	\$50,259,834
7	Total	100.0%	\$1,349,619,610	5.74%	\$77,441,173

Notes

(1) 4.0% unless an applicant has proposed or been approved for a different amount.

Test Year: 2024

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$771,010,996	3.44%	\$26,522,778
2	Short-term Debt	4.00% (1)	\$55,072,214	2.75%	\$1,514,486
3	Total Debt	60.0%	\$826,083,210	3.39%	\$28,037,264
	Equity				
4	Common Equity	40.00%	\$550,722,140	9.41%	\$51,822,953
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$550,722,140	9.41%	\$51,822,953
7	Total	100.0%	\$1,376,805,350	5.80%	\$79,860,218

Notes

(1) 4.0% unless an applicant has proposed or been approved for a different amount.

Test Year: 2025

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$795,067,006	3.69%	\$29,337,973
2	Short-term Debt	4.00% (1)	\$56,790,500	2.75%	\$1,561,739
3	Total Debt	60.0%	\$851,857,507	3.63%	\$30,899,711
	Equity				
4	Common Equity	40.00%	\$567,905,004	9.46%	\$53,723,813
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$567,905,004	9.46%	\$53,723,813
7	Total	100.0%	\$1,419,762,511	5.96%	\$84,623,525

Notes

(1) 4.0% unless an applicant has proposed or been approved for a different amount.

Appendix 2-OB Debt Instruments

This table must be completed for all required historical years, the bridge year and the test year.

Year Historical Actual

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	20-Dec-06	30 years	\$ 50,000,000	4.97%	\$ 2,484,000.00	\$50.0M Promissory Note
2	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	14-May-13	30 years	\$ 107,185,000	4.14%	\$ 4,441,746.40	\$107.185M Promissory Note
3	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	10 years	\$ 138,667,000	2.72%	\$ 3,777,289.08	\$260.0M, in aggregate, Promissory Notes
4	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	30 years	\$ 121,333,000	3.77%	\$ 4,573,040.77	
5	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	10 years	\$ 15,999,000	2.72%	\$ 435,812.76	\$30.0M, in aggregate, Promissory Notes
6	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	30 years	\$ 14,001,000	3.77%	\$ 527,697.69	
7	Grid Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Dec-16	on demand	\$ 5,081,967	3.72%	\$ 189,049.18	\$60.0M deemed rate per cost of capital report calculation (effective 31 days)
Total							\$ 452,266,967	3.63%	\$16,428,635.88	

Notes

- 1 If financing is in place only part of the year, separately calculate the pro-rated interest in the year and input in the cell.
- 2 Input actual or deemed long-term debt rate in accordance with the guidelines in *The Report of the Board on the Cost of Capital for Ontario's Regulated Utilities*, issued December 11, 2009, or with any subsequent update issued by the OEB.
- 3 Add more lines above row 12 if necessary.

Year Historical Actual

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	20-Dec-06	30 years	\$ 50,000,000	4.97%	\$ 2,484,000.00	\$50.0M Promissory Note
2	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	14-May-13	30 years	\$ 107,185,000	4.14%	\$ 4,441,746.40	\$107.185M Promissory Note
3	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	10 years	\$ 138,667,000	2.72%	\$ 3,777,289.08	\$260.0M, in aggregate, Promissory Notes
4	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	30 years	\$ 121,333,000	3.77%	\$ 4,573,040.77	
5	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	10 years	\$ 15,999,000	2.72%	\$ 435,812.76	\$30.0M, in aggregate, Promissory Notes
6	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	30 years	\$ 14,001,000	3.77%	\$ 527,697.69	
7	Grid Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Dec-16	on demand	\$ 60,000,000	3.72%	\$ 2,232,000.00	\$60.0M deemed rate per cost of capital report calculation
8	Grid Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Nov-17	on demand	\$ 10,027,397	4.12%	\$ 413,128.77	\$60.0M deemed rate per cost of capital report calculation (effective 61 days)
Total							\$ 517,212,397	3.65%	\$18,884,715.47	

Year Historical Actual

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	20-Dec-06	30 years	\$ 50,000,000	4.97%	\$ 2,484,000.00	\$50.0M Promissory Note
2	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	14-May-13	30 years	\$ 39,056,452	4.14%	\$ 1,618,499.37	\$107.185M Promissory Note (rate change on May 14, 2018)
3	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	14-May-13	30 years	\$ 68,128,548	3.99%	\$ 2,719,010.35	
4	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	10 years	\$ 138,667,000	2.72%	\$ 3,777,289.08	\$260.0M, in aggregate, Promissory Notes
5	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	30 years	\$ 121,333,000	3.77%	\$ 4,573,040.77	
6	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	10 years	\$ 15,999,000	2.72%	\$ 435,812.76	\$30.0M, in aggregate, Promissory Notes (rate changes on June 26, 2020)
7	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	30 years	\$ 14,001,000	3.77%	\$ 527,697.69	
8	Grid Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Dec-16	on demand	\$ 60,000,000	3.72%	\$ 2,232,000.00	\$60.0M deemed rate per cost of capital report calculation
9	Grid Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Nov-17	on demand	\$ 60,000,000	4.12%	\$ 2,472,000.00	\$60.0M deemed rate per cost of capital report calculation
10	Grid Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	5-Dec-18	on demand	\$ 2,219,178	4.41%	\$ 97,865.75	\$30.0M deemed rate per cost of capital report calculation - effective 27 days
Total							\$ 569,404,178	3.68%	\$20,937,215.78	

Year 2019 Bridge Year

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	20-Dec-06	30 years	\$ 50,000,000	4.97%	\$ 2,484,000.00	\$50.0M Promissory Note
2	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	14-May-13	30 years	\$ 107,185,000	3.99%	\$ 4,277,753.35	\$107.185M Promissory Note (rate changed on May 14, 2018)
3	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	10 years	\$ 138,667,000	2.72%	\$ 3,777,289.08	\$260.0M, in aggregate, Promissory Notes
4	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	30 years	\$ 121,333,000	3.77%	\$ 4,573,040.77	
5	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	10 years	\$ 15,999,000	2.72%	\$ 435,812.76	\$30.0M, in aggregate, Promissory Notes (rate changes on June 26, 2020)
6	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	30 years	\$ 14,001,000	3.77%	\$ 527,697.69	
7	Grid Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Dec-16	on demand	\$ 47,342,466	3.72%	\$ 1,761,139.73	\$60.0M deemed rate per cost of capital report calculation - effective 288 days
8	Grid Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Nov-17	on demand	\$ 47,342,466	4.12%	\$ 1,950,509.59	\$60.0M deemed rate per cost of capital report calculation - effective 288 days
9	Grid Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	5-Dec-18	on demand	\$ 23,671,233	4.41%	\$ 1,043,901.37	\$30.0M deemed rate per cost of capital report calculation - effective 288 days
10	Grid Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	2-Jul-19	on demand	\$ 8,712,329	3.55%	\$ 309,287.67	\$30.0M deemed rate per cost of capital report calculation - effective 106 days
11	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	10 years	\$ 18,458,904	2.66%	\$ 491,006.85	\$250.0M, in aggregate, Promissory Notes (effective 77 days)
12	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	30 years	\$ 34,280,822	3.21%	\$ 1,100,414.38	
Total							\$ 626,993,219	3.63%	\$22,731,853.24	

Year 2020 Bridge Year

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	20-Dec-06	30 years	\$ 50,000,000	4.97%	\$ 2,484,000.00	\$50.0M Promissory Note
2	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	14-May-13	30 years	\$ 107,185,000	3.99%	\$ 4,277,753.35	\$107.185M Promissory Note
3	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	10 years	\$ 12,881,634	2.72%	\$ 350,895.71	\$260.0M, in aggregate, Promissory Notes (rate change on February 4, 2020 due to issuance costs fully amortized)
4	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	10 years	\$ 125,406,495	2.61%	\$ 3,278,125.77	
5	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	30 years	\$ 10,939,861	3.77%	\$ 412,323.35	\$30.0M, in aggregate, Promissory Notes, (rate change on June 26, 2020 as issuance costs fully amortized)
6	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	30 years	\$ 110,061,628	3.64%	\$ 4,005,142.66	
7	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	10 years	\$ 7,693,508	2.72%	\$ 209,571.16	\$250.0M, in aggregate, Promissory Notes
8	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	10 years	\$ 8,261,779	2.61%	\$ 215,962.89	
9	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	30 years	\$ 6,732,721	3.77%	\$ 253,756.27	\$250.0M, in aggregate, Promissory Notes
10	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	30 years	\$ 7,230,025	3.64%	\$ 263,100.59	
11	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	10 years	\$ 87,500,000	2.66%	\$ 2,327,500.00	\$250.0M, in aggregate, Promissory Notes
12	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	30 years	\$ 162,500,000	3.21%	\$ 5,216,250.00	
Total							\$ 696,392,650	3.35%	\$23,294,381.75	

Year 2021 Test Year

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	20-Dec-06	30 years	\$ 50,000,000	4.97%	\$ 2,484,000.00	\$50.0M Promissory Note
2	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	14-May-13	30 years	\$ 107,185,000	3.99%	\$ 4,277,753.35	\$107.185M Promissory Note
3	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	10 years	\$ 138,667,000	2.61%	\$ 3,624,755.38	\$260.0M, in aggregate, Promissory Notes
4	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	30 years	\$ 121,333,000	3.64%	\$ 4,415,307.87	
5	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	10 years	\$ 15,999,000	2.61%	\$ 418,213.86	\$30.0M, in aggregate, Promissory Notes
6	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	30 years	\$ 14,001,000	3.64%	\$ 509,496.39	
7	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	10 years	\$ 87,500,000	2.66%	\$ 2,327,500.00	\$250.0M, in aggregate, Promissory Notes
8	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	30 years	\$ 162,500,000	3.21%	\$ 5,216,250.00	
9	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-21	10 years	\$ 14,115,068	3.07%	\$ 433,332.60	\$80.0M, in aggregate, Promissory Note - effective 184 days
10	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-21	30 years	\$ 26,213,699	3.87%	\$ 1,014,470.14	
Total							\$ 737,513,767	3.35%	\$24,721,079.59	

Year 2022 Test Year

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) 1	Additional Comments, if any
1	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	20-Dec-06	30 years	\$ 50,000,000	4.97%	\$ 2,484,000.00	\$50.0M Promissory Note
2	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	14-May-13	30 years	\$ 107,185,000	3.99%	\$ 4,277,753.35	\$107.185M Promissory Note
3	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	10 years	\$ 138,667,000	2.61%	\$ 3,624,755.38	\$260.0M, in aggregate, Promissory Notes
4	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	30 years	\$ 121,333,000	3.64%	\$ 4,415,307.87	
5	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	10 years	\$ 15,999,000	2.61%	\$ 418,213.86	\$30.0M, in aggregate, Promissory Notes
6	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	30 years	\$ 14,001,000	3.64%	\$ 509,496.39	
7	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	10 years	\$ 87,500,000	2.66%	\$ 2,327,500.00	\$250.0M, in aggregate, Promissory Notes
8	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	30 years	\$ 162,500,000	3.21%	\$ 5,216,250.00	
9	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-21	10 years	\$ 28,000,000	3.07%	\$ 859,600.00	\$80.0M, in aggregate, Promissory Notes
10	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-21	30 years	\$ 52,000,000	3.87%	\$ 2,012,400.00	
Total							\$ 777,185,000	3.36%	\$26,145,276.85	

Year 2023 Test Year

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) 1	Additional Comments, if any
1	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	20-Dec-06	30 years	\$ 50,000,000	4.97%	\$ 2,484,000.00	\$50.0M Promissory Note
2	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	14-May-13	30 years	\$ 107,185,000	3.99%	\$ 4,277,753.35	\$107.185M Promissory Note
3	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	10 years	\$ 138,667,000	2.61%	\$ 3,624,755.38	\$260.0M, in aggregate, Promissory Notes
4	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	30 years	\$ 121,333,000	3.64%	\$ 4,415,307.87	
5	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	10 years	\$ 15,999,000	2.61%	\$ 418,213.86	\$30.0M, in aggregate, Promissory Notes
6	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	30 years	\$ 14,001,000	3.64%	\$ 509,496.39	
7	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	10 years	\$ 87,500,000	2.66%	\$ 2,327,500.00	\$250.0M, in aggregate, Promissory Notes
8	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	30 years	\$ 162,500,000	3.21%	\$ 5,216,250.00	
9	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-21	10 years	\$ 28,000,000	3.07%	\$ 859,600.00	\$80.0M, in aggregate, Promissory Notes
10	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-21	30 years	\$ 52,000,000	3.87%	\$ 2,012,400.00	
11	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-23	10 years	\$ 10,586,301	3.92%	\$ 414,983.01	\$60.0M, in aggregate, Promissory Note - effective 184 days
12	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-23	30 years	\$ 19,660,274	4.72%	\$ 927,964.93	
Total							\$ 807,431,575	3.40%	\$27,488,224.80	

Year 2024 Test Year

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) 1	Additional Comments, if any
1	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	20-Dec-06	30 years	\$ 50,000,000	4.97%	\$ 2,484,000.00	\$50.0M Promissory Note
2	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	14-May-13	30 years	\$ 107,185,000	3.99%	\$ 4,277,753.35	\$107.185M Promissory Note
3	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	10 years	\$ 138,667,000	2.61%	\$ 3,624,755.38	\$260.0M, in aggregate, Promissory Notes
4	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	30 years	\$ 121,333,000	3.64%	\$ 4,415,307.87	
5	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	10 years	\$ 15,999,000	2.61%	\$ 418,213.86	\$30.0M, in aggregate, Promissory Notes
6	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	30 years	\$ 14,001,000	3.64%	\$ 509,496.39	
7	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	10 years	\$ 87,500,000	2.66%	\$ 2,327,500.00	\$250.0M, in aggregate, Promissory Notes
8	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	30 years	\$ 162,500,000	3.21%	\$ 5,216,250.00	
9	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-21	10 years	\$ 28,000,000	3.07%	\$ 859,600.00	\$80.0M, in aggregate, Promissory Notes
10	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-21	30 years	\$ 52,000,000	3.87%	\$ 2,012,400.00	
11	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-23	10 years	\$ 21,000,000	3.92%	\$ 823,200.00	\$60.0M, in aggregate, Promissory Notes
12	Promissory Note	Hydro Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-23	30 years	\$ 39,000,000	4.72%	\$ 1,840,800.00	
Total							\$ 837,185,000	3.44%	\$28,809,276.85	

Year 2025 Test Year

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) 2	Interest (\$) 1	Additional Comments, if any
1	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	20-Dec-06	30 years	\$ 50,000,000	4.97%	\$ 2,484,000.00	\$50M Promissory Note
2	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	14-May-13	30 years	\$ 107,185,000	3.99%	\$ 4,277,753.35	\$107.185M Promissory Note
3	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	10 years	\$ 14,816,474	2.61%	\$ 387,302.63	\$260M, in aggregate, Promissory Notes. \$138.667M 10YR tranche matures - effective for 39 days.
4	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-15	30 years	\$ 121,333,000	3.64%	\$ 4,415,307.87	
5	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	10 years	\$ 7,670,753	2.61%	\$ 200,513.49	\$30M, in aggregate, Promissory Notes. 10YR tranche effective for 175 days.
6	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-15	30 years	\$ 14,001,000	3.64%	\$ 509,496.39	
7	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	10 years	\$ 87,500,000	2.66%	\$ 2,327,500.00	\$250.0M, in aggregate, Promissory Notes
8	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	16-Oct-19	30 years	\$ 162,500,000	3.21%	\$ 5,216,250.00	
9	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-21	10 years	\$ 28,000,000	3.07%	\$ 859,600.00	\$80M, in aggregate, Promissory Notes
10	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-21	30 years	\$ 52,000,000	3.87%	\$ 2,012,400.00	
11	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-23	10 years	\$ 21,000,000	3.92%	\$ 823,200.00	\$60.0M, in aggregate, Promissory Notes
12	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	1-Jul-23	30 years	\$ 39,000,000	4.72%	\$ 1,840,800.00	
13	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	9-Feb-25	10 years	\$ 123,850,526	4.22%	\$ 5,226,492.20	\$138.667M (maturity rollover), in aggregate, Promissory Notes - eff 326 days
15	Promissory Note	Hydo Ottawa Holding Inc.	Affiliated	Fixed Rate	25-Jun-25	10 years	\$ 8,328,247	4.22%	\$ 351,452.01	\$16.0M (maturity rollover), in aggregate, Promissory Note - effective 190 days
Total							\$ 837,185,000	3.69%	\$30,932,067.94	

AMENDMENT TO CREDIT AGREEMENT

Hydro Ottawa Limited
EB-2019-0261
Exhibit 5
Tab 1
Schedule 1
Attachment C
ORIGINAL

The Credit Agreement between Hydro Ottawa Holding Inc. and Hydro Ottawa Limited, dated January 1, 2009, is amended as follows:

3. Administrative Fee

An administrative charge will be added to the rate of interest charged on Prime Rate Advances and Fixed Term Loans, payable to the Lender at the rate of 0.10% per annum.

This clause is removed in its entirety.

All other sections of the Credit Agreement, including any subsequent amendments remain the same.

IN WITNESS WHEREOF the parties have executed this amendment January 31, 2014:

**HYDRO OTTAWA HOLDING INC. /
SOCIÉTÉ DE PORTEFEUILLE D'HYDRO
OTTAWA INC.**

By: _____


J. Bryce Conrad
President and Chief Executive Officer

By: _____


Geoff Simpson
Chief Financial Officer

HYDRO OTTAWA LIMITED

By: _____


J. Bryce Conrad
President and Chief Executive Officer

By: _____


Geoff Simpson
Chief Financial Officer

CREDIT AGREEMENT

THIS AGREEMENT is made as of the 1st day of January 2009.

BETWEEN:

**HYDRO OTTAWA HOLDING INC./SOCIÉTÉ DE PORTEFEUILLE
D'HYDRO OTTAWA INC.**

(hereinafter also referred to as the "Lender")

- and -

HYDRO OTTAWA LIMITED

(hereinafter also referred to as the "Borrower")

WHEREAS, the Lender has agreed to make available to the Borrower certain credits on the terms and conditions set out in this agreement.

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the Parties agree as follows

1. Definition

Whenever used in this Agreement, unless there is something inconsistent in the subject matter or context, the following words and terms shall have the meaning as set out below:

- (a) "Agreement" means this agreement, including any schedules and all instruments supplementing or amending or confirming this agreement;
- (b) "Bank of Nova Scotia Credit Agreement" means an agreement between The Bank of Nova Scotia and Hydro Ottawa Holding Inc. evidenced by the most recent Commitment Letter;
- (c) "Drawdown" means a borrowing of funds under the facility, a conversion or a rollover, as the context requires;
- (d) "Event of Default" means any of the events described in section 7;
- (e) "Fixed Term Loan" means an interest-bearing loan having a term of not less than 7 days and not more than 180 days having a rate of interest determined on the bases set out in this Agreement;
- (f) "Permitted Encumbrance" means any of the following:

- (i) purchase money security interests, capital leases and other encumbrances not exceeding in an aggregate amount of \$5,000,000;
- (ii) liens for taxes, payments in lieu of taxes, assessments, government charges or claims not yet due or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested in good faith, on in respect of which appropriate provision is made in consolidated financial statements of the Borrower;
- (iii) a lien or deposit under workers' compensation, social security or similar legislation or deposits to secure public or statutory obligations;
- (iv) a lien or deposit of cash or securities in connection with contracts, bids, tenders, leases or expropriation proceedings or to secure surety and appeal bonds not exceeding an aggregate amount of \$1,000,000 at any time;
- (v) a lien or privilege imposed by law, such as a builder's, carrier's, warehousemen's, landlord's mechanic's, supplier's or other similar liens and public, statutory and other like obligations incurred in the ordinary course of business;
- (vi) a lien or right of distress reserved in or exercisable under any lease, for rent or for compliance with the terms of the lease;
- (vii) undetermined or inchoate liens, rights of distress, privileges and charges incidental to current operations which have not at such time been filed or exercised or which relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings;
- (viii) reservations, limitations, provisos and conditions expressed in any original grants from the Crown or other grants of real or immovable property, or interests therein, which do not materially affect the use of the affected land for the purpose for which it is being used;
- (ix) title defects, encroachments or irregularities or other matters relating to title which in the aggregate do not materially impair the use of the affected property for the purpose for which it is used;
- (x) zoning, land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, state, municipal and other governmental authorities, licences, easements, rights-of-way, rights in the nature of easements (including, without limiting the generality of the foregoing, licences, easements, rights-of-way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) which do not materially impair the use of the affected land for the purpose for which it is being used;
- (xi) any right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, licence, franchise, grant or permit acquired by that person or by any statutory provision to terminate any lease, licence, franchise, grant or permit, or to require annual or other payments as a condition for the continuance thereof;

- (xii) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that person in the ordinary course of business;
- (xiii) security for costs of litigation where required by law; and
- (xiv) attachments, judgements and other similar encumbrances arising in connection with court proceedings; provided that the encumbrances are in existence for less than 30 days after their creation or the execution or other enforcement of the encumbrances is effectively stayed or the claims so secured are being actively contested in good faith and by proper legal proceedings;
- (g) "Prime Rate" means, at any time, the rate of interest expressed as an annual rate, established by The Bank of Nova Scotia Agreement from time to time as its reference "interest rate / fee" to determine the interest rates it will charge for loans in Canadian dollars; and
- (h) "Prime Rate Advance" means an interest-bearing loan having a term not more than 180 days, for which the principal may be drawdown and upon which interest is calculated daily at the Prime Rate and repayable determined on the bases set out in this Agreement;

2. **The Credit Facilities**

- (1) Upon the terms and subject to the conditions herein set forth, the Lender establishes in favour of the Borrower the following credit facility to be available to the Borrower in accordance with the provisions of this Agreement. The facility shall consist of a revolving demand facility of up to a maximum principal amount available within the Bank of Nova Scotia Credit Agreement.
- (2) The total amount authorized for this credit facility is \$90,000,000.00 CDN.
- (3) The Borrower may avail the credit facility by way of direct advances through Prime Rate Advances. Changes in the Prime Rate shall cause an immediate adjustment to the interest rate applicable to an advance without the necessity of notice to the Borrower. The principal amounts of any Prime Rate Advances shall be repayable at any time on demand of the Lender and may be repaid by the Borrower at any time prior to such demand.
- (4) The Borrower may avail the credit facility by way of Fixed Term Loans.
- (5) The rate of interest on Fixed Term Loans shall be the Banker's Acceptance Fee charged pursuant to The Bank of Nova Scotia Credit Agreement, plus the Bankers Acceptance rate applicable to the date of the Drawdown as evidenced by a Bankers

Acceptance drawn by Hydro Ottawa Holding Inc. on that date, otherwise The Bank of Canada "Bankers Acceptances – 1 Month" rate will be used as posted on that date.

- (6) Interest on loans and advances will be calculated on a daily basis and payable in arrears on a mutually agreed date.
- (7) The Borrower may increase or decrease advances made by Prime Rate Advances or by Fixed Term Loan by making drawdowns, repayments or further drawdowns of the amount of advances that have been repaid. The Borrower may also convert a Prime Rate Advance to a Fixed Term Loan by notice to the Lender.
- (8) On the date of maturity, the Borrower shall repay to the Lender the principal amount of Prime Rate Advances and Fixed Term Loans. The Borrower may request from the Lender and the Lender, in its sole discretion, may grant an extension of the maturity date of any Primary Rate Advances or Fixed Term Loans for a further period not to exceed 180 days.
- (9) The Borrower may avail the credit facility by way of Standby Letters of Credit / Letters of Guarantee. The charge will be made pursuant to the Bank of Nova Scotia Credit Agreement "Commission" fee and will be payable upon issuance.

3. **Administrative Fee**

An administrative charge will be added to the rate of interest charged on Prime Rate Advances and Fixed Term Loans, payable to the Lender at the rate of 0.10% per annum.

4. **Commitment Fee and Standby Fees**

The Borrower shall pay a proportionate share of the commitment fee and standby fees payable per the terms of the Bank of Nova Scotia Credit Agreement.

5. **Evidence of Indebtedness**

The Lender shall open and maintain books of account evidencing all advances and all other amounts owing by the Borrower to the Lender hereunder. The information entered in the foregoing accounts shall constitute *prima facie* evidence of the obligations of the Borrower to the Lender and, in the absence of manifest error, are conclusive evidence of the advances made, repayments on account thereof and the indebtedness of the Borrower to the Lender. Upon request of the Borrower, the Lender shall advise the Borrower of entries made on the books of account.

6. **General Conditions**

The following conditions will apply until all debts and liabilities of the Borrower availed under the Credit Facilities have been discharged in full:

- (a) The Borrower shall not encumber its assets in any manner other than by Permitted Encumbrances;
- (b) The Borrower may not incur, assume or permit any debt to remain outstanding other than debt under this Agreement, other than:
 - (i) debt incurred from the Lender;
 - (ii) debt incurred in respect of purchase money security interests;
 - (iii) capital leases; and
 - (iv) other debt permitted by the Lender.
- (c) The business activities of the Borrower shall be restricted to those permitted pursuant to section 73 of the *Ontario Energy Board Act, 1998*, so long as those restrictions on business activities continue to apply to the Borrower;
- (d) The Borrower shall make due and timely payment of the obligations required to be paid by it hereunder;
- (e) The Borrower shall provide notice to the Lender of any Event of Default;
- (f) The Lender shall be under no obligation to provide a Prime Rate Advance, a Fixed Term Loan, or a Standby Letter of Credit / Letters of Guarantee following an Event of Default.

7. **Events of Default**

- (1) The following shall constitute Events of Default for the purposes of this Agreement:
 - (a) The Borrower encumbering assets other than by Permitted Encumbrances;
 - (b) The Borrower fails to pay interest, principal or other amounts owing pursuant to this Agreement
 - (c) The Borrower is in breach of any conditions of this Agreement;

(d) Any actions by the Borrower which cause the Lender to be in default of its obligations under the Bank of Nova Scotia Credit Agreement;

(e) The Borrower is bankrupt, insolvent or liquidation proceedings or any other proceedings for the relief of creditors are instituted by or against the Borrower and are not dismissed within 60 days of such institution.

(2) Upon the occurrence of an Event of Default, at the option of the Lender, all amounts of Principal and Interest shall become immediately due and payable. The occurrence of an Event of Default shall relieve the Lender of all obligations to provide any further advances or loans to the Borrower.

8. **Indemnification**

The Borrower shall indemnify the Lender from any loss or expense incurred by the Lender as a result of any failure by the Borrower to fulfill its obligations under this Agreement, expense any loss or expense arising from the negligence or wilful misconduct of the Lender.

9. **Early Termination**

In the event of any change in control of the Borrower, the Lender may require that the Borrower pay the Principal and Interest payable within 30 days following a change of control of the Borrower. For the purpose of this sub-section control means with respect to the Borrower at any time (i) holding, as owner or other beneficiary – other than solely as beneficiary of an unrealized security interest – directly or indirectly, securities or ownership interests of the Borrower carrying votes or ownership interests sufficient to elect or appoint the majority of individuals who are responsible for the supervision or management of the Borrower, or (ii) the exercise of de facto control of the Borrower, whether direct or indirect and whether through the ownership of securities or ownership interests, by contract, trust or otherwise.

10. **Termination**

Unless otherwise extended by agreement of the parties, this facility shall terminate the date the Bank of Nova Scotia Credit Agreement is no longer in force. Prior to the termination of the facility, the Borrower shall pay to the Lender the Principal outstanding and any Interest payable.

11. **Notice**

Any demand, notice or communication to be made or given pursuant to this Agreement shall be in writing and may be made or given by personal delivery, by mail, by electronic mail addressed to the respective parties as follows:

To the Borrower:

Hydro Ottawa Limited
3025 Albion Road North
Ottawa, Ontario
K1G 3S4

Attention: Treasurer

Telephone: 613-738-5499 ext. 319

Electronic Mail: mikegrue@hydroottawa.com

To the Lender:

Hydro Ottawa Holding Inc.
3025 Albion Road North
Ottawa, Ontario
K1G 3S4

Attention: Treasurer

Telephone: 613-738-5499 ext. 319

Electronic mail: mikegrue@hydroottawa.com

Either party may from time to time notify the other party of any change to its address, telephone number or electronic mail contact.

12. Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of the Lender, the Borrower and their successors and assigns, except that the Borrower shall not assign any rights or obligations with respect to this Agreement without the prior written consent of the Lender, which consent may be withheld or refused for any reason. The Lender may assign its rights and obligations with respect to this Agreement upon notice to the Borrower.

13. Governing Law


This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

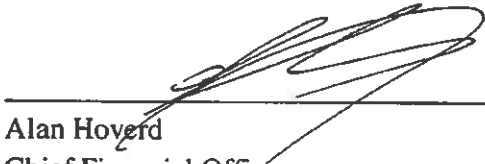
14. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.


IN WITNESS WHEREOF the parties hereto have executed this Agreement.

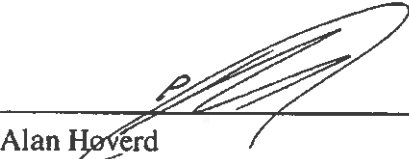
**HYDRO OTTAWA HOLDING INC./
SOCIÉTÉ DE PORTEFEUILLE D'HYDRO
OTTAWA INC.**

By: 
Rosemarie T. Leclair
President and Chief Executive Officer

By: 
Alan Hoverd
Chief Financial Officer

HYDRO OTTAWA LIMITED

By: 
Rosemarie T. Leclair
President and Chief Executive Officer

By: 
Alan Hoverd
Chief Financial Officer

GRID PROMISSORY NOTE

Effective the 14th day of May 2013.

As consideration for the funds received, **Hydro Ottawa Limited** (the "Borrower") unconditionally promises to pay to, or the order of, **Hydro Ottawa Holding Inc.** ("the Lender"), in lawful money of Canada, the principal amount (the "Principal") advanced under this grid promissory note (the "Note") and interest ("Interest") thereon at a rate specified below upon the terms and subject to the conditions set forth below.

This Note is a negotiable instrument.

The following are the terms and conditions of the Note:

1. PRINCIPAL

- (1) Advances of Principal may be made in tranches to meet **Hydro Ottawa Limited's** long term business requirements.
- (2) The liability of the Borrower and of any guarantor of the Borrower ("Guarantor") or endorser in respect of Principal shall not exceed the outstanding amount of Principal.
- (3) Advances shall be deemed conclusively to have been made to and for the benefit of the Borrower when,
 - (a) deposited or credited to the account of the Borrower by the Lender; or
 - (b) made in accordance with the instructions of the Borrower.
- (4) All advances of Principal under this Note shall be evidenced by endorsement upon the grid attached to this Note as Schedule A (the "Grid").
- (5) The Lender's Chief Financial Officer, President and Chief Executive Officer and Treasurer are authorized to endorse the Grid, including any continuation Grid that may be attached to this Note, the date and amount of each advance and together with the unpaid balance of the Principal and each endorsement shall be prima facie evidence of the amounts so advanced and the balance of principal outstanding under this Note.

2. INTEREST RATE

- (1) Interest shall be payable upon the amounts advanced under this Note at a fixed rate of Interest payable monthly in arrears on a mutually agreed date. The rate established for long term debt will be:
 - a. a "deemed interest rate" which will be based on the underlying methodology outlined in the Ontario Energy Board's "Report of the Board" on the Cost of Capital for Ontario's Regulated Utilities EB-2009-0084 dated December 11, 2009. The rate will be determined from information available at the end of the month preceding the date of the advancement. The rate that is in effect when

the advance was made will be used for the duration of the advance as per the Term and Repayment section.

3. **TERMS OF PAYMENT**

The Interest payable hereunder shall be calculated and payable monthly in arrears on the first day of each month, both before and after demand, default and judgment. **Hydro Ottawa Limited** shall pay to **Hydro Ottawa Holding Inc.**, on demand, Interest on overdue Interest at the rate described in section 2 hereof compounded on each date for the payment of Interest on this Note before and after judgment.

4. **REPAYMENT**

- (1) **Hydro Ottawa Limited** may, at any time, repay in whole or in part the Principal and Interest outstanding under this Note.
- (2) **Hydro Ottawa Holding Inc.** may, at any time, require that **Hydro Ottawa Limited** repay in whole or in part the Principal and Interest outstanding under this Note.

5. **SUBORDINATION**

The obligation of **Hydro Ottawa Limited** to pay the Principal amount or the amount remaining unpaid from time to time on this Note, together with Interest thereon in accordance with and pursuant to this Note is subordinated and postponed to the obligations of **Hydro Ottawa Limited** to a third party for the payment in full of any secured indebtedness and all security interests granted to secure such obligations of **Hydro Ottawa Limited**.

6. **WAIVER OF NOTICE IN EVENT OF DEFAULT**

Hydro Ottawa Limited hereby waives presentment, protest and notice of any kind in the enforcement of this Note. **Hydro Ottawa Limited** further agrees to pay all costs of collection, including legal fees on a solicitor and client basis, in case the Principal amount on the amount remaining unpaid from time to time on this Note, or any payment of Interest thereon, is not made when due.

7. **RIGHTS AND REMEDIES IN EVENT OF DEFAULT**

The rights and remedies of **Hydro Ottawa Holding Inc.** under this Note which it may have at law or in equity against **Hydro Ottawa Limited** shall be distinct, separate and cumulative, and shall not be deemed inconsistent with one another, and none of the said rights, whether or not exercised by **Hydro Ottawa Holding Inc.**, shall be deemed to be to the exclusion of any other, and any one or more of said rights and remedies may be exercised at the same time. The obligations of **Hydro Ottawa Limited** under this Note shall continue until the entire debt evidenced hereby is paid, notwithstanding any court action or actions taken by **Hydro Ottawa Holding Inc.** which may be brought to recover any amounts due and payable under this Note. No delay or failure by **Hydro Ottawa Holding Inc.** in the enforcement of any covenant, promise or agreement of **Hydro**

Ottawa Limited hereunder shall constitute or be deemed to constitute a waiver of such right. Any waivers of **Hydro Ottawa Holding Inc.** shall only occur and be valid when set forth in writing by **Hydro Ottawa Holding Inc.** No waiver of any event of default shall discharge or release any person at any time liable for the payment of this Note from such liability. No single or partial exercise of any of **Hydro Ottawa Holding Inc.**'s powers hereunder shall preclude other and further exercise thereof or the exercise of any other power.

8. **ASSIGNMENT**

This Note may not be assigned by **Hydro Ottawa Limited** without the written consent of **Hydro Ottawa Holding Inc.**

9. **GOVERNING LAW**

This Note shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

10. **CANCELLATION OF PREVIOUS NOTE**

This Note replaces the Note dated January 1, 2009 made between **Hydro Ottawa Limited** and **Hydro Ottawa Holding Inc.**

IN WITNESS WHEREOF **Hydro Ottawa Limited** has duly executed this Grid Promissory Note.

HYDRO OTTAWA LIMITED

Per: 
Name: J. Bryce Conrad
Title: President and Chief Executive Officer

Per: 
Name: Geoff Simpson
Title: Chief Financial Officer

GRID LOAN
GN01-1020

Schedule A
Advances and Payment of Principal

<i>Date</i>	<i>Amount of Advance C\$</i>	<i>Interest Rate</i>	<i>Amount of Principal Payment C\$</i>	<i>Unpaid Balance C\$</i>	<i>Approved By</i>	<i>Recorded By</i>	<i>Notes</i>
14 May 2013	(30,000,000.00)	4.7900%	0.00	(30,000,000.00)	MG	MG	
28 Oct 2014	(30,000,000.00)	4.7700%	0.00	(60,000,000.00)	MG	MG	
09 Feb 2015	0.00		60,000,000.00	0.00	MG	MG	
25 Jun 2015	(15,999,000.00)	2.7240%	0.00	(15,999,000.00)	MG	MG	
25 Jun 2015	(14,001,000.00)	3.7690%		(30,000,000.00)	MG	MG	
25 Jun 2015	0.00		15,999,000.00	(14,001,000.00)	MG	MG	Converted to P.Note
25 Jun 2015	0.00		14,001,000.00	0.00	MG	MG	Converted to P.Note
01 Dec 2016	(60,000,000.00)	3.7200%	0.00	(60,000,000.00)	MG	MG	
01 Nov 2017	(60,000,000.00)	4.1200%		(120,000,000.00)	MG	PN	
05 Dec 2018	(30,000,000.00)	4.4100%		(150,000,000.00)	MG	NT	
02 Jul 2019	(30,000,000.00)	3.5500%		(180,000,000.00)	MG	NT	
16 Oct 2019	0.00		✓60,000,000.00	(120,000,000.00)	MG	NT	Converted to P.Note
16 Oct 2019	0.00		✓60,000,000.00	(60,000,000.00)	MG	NT	Converted to P.Note
16 Oct 2019	0.00		✓30,000,000.00	(30,000,000.00)	MG	NT	Converted to P.Note
16 Oct 2019	0.00		✓30,000,000.00	0.00	MG	NT	Converted to P.Note

BS

PROMISSORY NOTE

Principal: \$138,667,000 lawful money of Canada	Effective February 9 th , 2015
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For value received, **Hydro Ottawa Limited** hereby unconditionally promises to pay to the order of **Hydro Ottawa Holding Inc.** at Ottawa, Canada on February 3, 2025 (the "Due Date") the principal amount of one hundred thirty eight million, six hundred sixty seven thousand dollars (\$138,667,000) (the "Principal Amount") in lawful money of Canada and interest thereon upon the terms and subject to the conditions set forth below.

1. **INTEREST RATE**

The rate of interest payable on the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note shall be 2.724% per annum from February 9, 2015 to February 3, 2020 (the first five years). Subsequently, the rate of interest payable on the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note shall be 2.614% per annum from February 4, 2020 to February 3, 2025.

2. **TERMS OF PAYMENT**

The interest payable hereunder shall be calculated and payable monthly in arrears on the first day of each month, both before and after demand, default and judgment. **Hydro Ottawa Limited** shall pay to **Hydro Ottawa Holding Inc.**, on demand, interest on overdue interest at the rate described in section 1 hereof compounded on each date for the payment of interest on this Promissory Note before and after judgment.

3. **REPAYMENT**

- (1) Subject to the terms and conditions set out in sub-section 3 (4) herein, **Hydro Ottawa Limited** may, at any time, repay in whole or in part the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note and interest owing under this Promissory Note.
- (2) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable within 30 days following a change of control of **Hydro Ottawa Limited**. For the purpose of this sub-section control means with respect to **Hydro Ottawa Limited** at any time:
 - a. holding, as owner or other beneficiary, other than solely as beneficiary of an unrealized security interest, directly or indirectly, securities or ownership interests of **Hydro Ottawa Limited** carrying votes or ownership interests

sufficient to elect or appoint the majority of individuals who are responsible for the supervision or management of **Hydro Ottawa Limited**, or

- b. the exercise of de facto control of **Hydro Ottawa Limited**, whether direct or indirect and whether through the ownership of securities or ownership interests, by contract, trust or otherwise.

Hydro Ottawa Holding Inc. shall provide **Hydro Ottawa Limited** with no less than twenty (20) days' prior notice of the requirement to repay Principal and interest.

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

- (3) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable in the event that **Hydro Ottawa Limited**:

- a. disposes of substantially all of its property or assets;
- b. fails to pay any principal, premium or interest on an indebtedness however incurred beyond any period of grace applicable to such indebtedness, where the amount of the indebtedness is \$25 million or greater;
- c. fails to perform or observe an agreement, term or condition contained in any agreement under which an indebtedness in the amount of \$25 million or greater becomes due and payable; or
- d. for any other reason causes the whole or any part of the Principal Amount to be repayable to **Hydro Ottawa Holding Inc.** in advance of the Due Date;

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

- (4) In the event that **Hydro Ottawa Limited** chooses to repay or is required to repay in whole or in part the Principal Amount remaining unpaid and accrued and unpaid interest in accordance with sub-sections 3 (1), (2) or (3) herein, **Hydro Ottawa Limited** shall:

- a. Provide, where such repayment is initiated at the request of **Hydro Ottawa Limited**, at least fifty (50) days' prior notice in writing to **Hydro Ottawa Holding Inc.** setting out the proposed amount of the Principal Amount and accrued and unpaid interest that it proposes to pay and the date of such payment;
- b. Pay to **Hydro Ottawa Holding Inc.** in respect of the Principal Amount and accrued and unpaid interest to be paid, an amount calculated and determined

by **Hydro Ottawa Holding Inc.** in the same manner and subject to the same conditions (subject to any necessary changes) as the Redemption Price respecting an equivalent payment of principal as is set out in the Series 2015 – 1 Supplemental Indenture dated as of February 2, 2015 between Hydro Ottawa Holding Inc. and BNY Trust Company of Canada;

- c. Indemnify **Hydro Ottawa Holding Inc.**, in addition to the amount calculated and determined pursuant to sub-section 3 (4)(b) herein, for any damages, losses, liabilities, claims, demands, interest, charges, fines, penalties, assessments, judgments, costs and expenses suffered or asserted directly or indirectly arising from any payment made pursuant to sub-section 3 (1), (2) or (3) herein or any delay in providing such payment.

4. **SUBORDINATION**

The obligation of **Hydro Ottawa Limited** to pay the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note, together with interest thereon in accordance with and pursuant to this Promissory Note is subordinated and postponed to the obligations of **Hydro Ottawa Limited** to a third party for the payment in full of any secured indebtedness and all security interests granted to secure such obligations of **Hydro Ottawa Limited**.

5. **WAIVER OF NOTICE IN EVENT OF DEFAULT**

Hydro Ottawa Limited hereby waives presentment, protest and notice of any kind in the enforcement of this Promissory Note. **Hydro Ottawa Limited** further agrees to pay all costs of collection, including legal fees on a solicitor and client basis, in case the Principal Amount, or the amount remaining unpaid from time to time on this Promissory Note, or any payment of interest thereon is not made when due.

6. **RIGHTS AND REMEDIES IN EVENT OF DEFAULT**

The rights and remedies of **Hydro Ottawa Holding Inc.** under this Promissory Note which it may have at law or in equity against **Hydro Ottawa Limited** shall be distinct, separate and cumulative, and shall not be deemed inconsistent with one another, and none of the said rights, whether or not exercised by **Hydro Ottawa Holding Inc.**, shall be deemed to be to the exclusion of any other, and any one or more of said rights and remedies may be exercised at the same time. The obligations of **Hydro Ottawa Limited** under this Promissory Note shall continue until the entire debt evidenced hereby is paid, notwithstanding any court action or actions taken by **Hydro Ottawa Holding Inc.** which may be brought to recover any amounts due and payable under this Promissory Note. No delay or failure by **Hydro Ottawa Holding Inc.** in the enforcement of any covenant, promise or agreement of **Hydro Ottawa Limited** hereunder shall constitute or be deemed to constitute a waiver of such right. Any waivers of **Hydro Ottawa Holding Inc.** shall only occur and be valid when set forth in writing by **Hydro Ottawa Holding Inc.** No waiver of any event of default shall

discharge or release any person at any time liable for the payment of this Promissory Note from such liability. No single or partial exercise of any of **Hydro Ottawa Holding Inc.**'s powers hereunder shall preclude other and further exercise thereof or the exercise of any other power.

7. **ASSIGNMENT**

This Promissory Note may not be assigned by **Hydro Ottawa Limited** without the written consent of **Hydro Ottawa Holding Inc.**

8. **GOVERNING LAW**

This Promissory Note shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

9. **CANCELLATION OF PREVIOUS NOTE**

This interest bearing Promissory Note in the amount of one hundred thirty eight million, six hundred sixty seven thousand dollars (\$138,667,000) replaces 53.33% of the Promissory Note dated **May 14, 2013** in the amount of two hundred million dollars (\$200,000,000) made between **Hydro Ottawa Limited** and **Hydro Ottawa Holding Inc.** which matured February 9, 2015, and 53.33% of the \$60,000,000 outstanding as of February 9, 2015 on the Grid Promissory Note dated **May 14, 2013** made between **Hydro Ottawa Limited** and **Hydro Ottawa Holding Inc.**

IN WITNESS WHEREOF **Hydro Ottawa Limited** has duly executed this Promissory Note.

HYDRO OTTAWA LIMITED

Per: 

Name: J. Bryce Conrad

Title: President and Chief Executive Officer

Per: 

Name: Geoff Simpson

Title: Chief Financial Officer

PROMISSORY NOTE

Principal: \$121,333,000 lawful money of Canada	Effective February 9 th , 2015
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For value received, **Hydro Ottawa Limited** hereby unconditionally promises to pay to the order of **Hydro Ottawa Holding Inc.** at Ottawa, Canada on February 2, 2045 (the "Due Date") the principal amount of one hundred twenty one million, three hundred thirty three thousand dollars (\$121,333,000) (the "Principal Amount") in lawful money of Canada and interest thereon upon the terms and subject to the conditions set forth below.

1. INTEREST RATE

The rate of interest payable on the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note shall be 3.769% per annum from February 9, 2015 to February 2, 2020 (the first five years). Subsequently, the rate of interest payable on the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note shall be 3.639% per annum from February 3, 2020 to February 2, 2045.

2. TERMS OF PAYMENT

The interest payable hereunder shall be calculated and payable monthly in arrears on the first day of each month, both before and after demand, default and judgment. **Hydro Ottawa Limited** shall pay to **Hydro Ottawa Holding Inc.**, on demand, interest on overdue interest at the rate described in section 1 hereof compounded on each date for the payment of interest on this Promissory Note before and after judgment.

3. REPAYMENT

- (1) Subject to the terms and conditions set out in sub-section 3 (4) herein, **Hydro Ottawa Limited** may, at any time, repay in whole or in part the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note and interest owing under this Promissory Note.
- (2) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable within 30 days following a change of control of **Hydro Ottawa Limited**. For the purpose of this sub-section control means with respect to **Hydro Ottawa Limited** at any time:
 - a. holding, as owner or other beneficiary, other than solely as beneficiary of an unrealized security interest, directly or indirectly, securities or ownership interests of **Hydro Ottawa Limited** carrying votes or ownership interests

sufficient to elect or appoint the majority of individuals who are responsible for the supervision or management of **Hydro Ottawa Limited**, or

- b. the exercise of de facto control of **Hydro Ottawa Limited**, whether direct or indirect and whether through the ownership of securities or ownership interests, by contract, trust or otherwise.

Hydro Ottawa Holding Inc. shall provide **Hydro Ottawa Limited** with no less than twenty (20) days' prior notice of the requirement to repay Principal and interest.

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

- (3) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable in the event that **Hydro Ottawa Limited**:

- a. disposes of substantially all of its property or assets;
- b. fails to pay any principal, premium or interest on an indebtedness however incurred beyond any period of grace applicable to such indebtedness, where the amount of the indebtedness is \$25 million or greater;
- c. fails to perform or observe an agreement, term or condition contained in any agreement under which an indebtedness in the amount of \$25 million or greater becomes due and payable; or
- d. for any other reason causes the whole or any part of the Principal Amount to be repayable to **Hydro Ottawa Holding Inc.** in advance of the Due Date;

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

- (4) In the event that **Hydro Ottawa Limited** chooses to repay or is required to repay in whole or in part the Principal Amount remaining unpaid and accrued and unpaid interest in accordance with sub-sections 3 (1), (2) or (3) herein, **Hydro Ottawa Limited** shall:

- a. Provide, where such repayment is initiated at the request of **Hydro Ottawa Limited**, at least fifty (50) days' prior notice in writing to **Hydro Ottawa Holding Inc.** setting out the proposed amount of the Principal Amount and accrued and unpaid interest that it proposes to pay and the date of such payment;
- b. Pay to **Hydro Ottawa Holding Inc.** in respect of the Principal Amount and accrued and unpaid interest to be paid, an amount calculated and determined

by **Hydro Ottawa Holding Inc.** in the same manner and subject to the same conditions (subject to any necessary changes) as the Redemption Price respecting an equivalent payment of principal as is set out in the Series 2015 – 2 Supplemental Indenture dated as of February 2, 2015 between Hydro Ottawa Holding Inc. and BNY Trust Company of Canada;

- c. Indemnify **Hydro Ottawa Holding Inc.**, in addition to the amount calculated and determined pursuant to sub-section 3 (4)(b) herein, for any damages, losses, liabilities, claims, demands, interest, charges, fines, penalties, assessments, judgments, costs and expenses suffered or asserted directly or indirectly arising from any payment made pursuant to sub-section 3 (1), (2) or (3) herein or any delay in providing such payment.

4. **SUBORDINATION**

The obligation of **Hydro Ottawa Limited** to pay the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note, together with interest thereon in accordance with and pursuant to this Promissory Note is subordinated and postponed to the obligations of **Hydro Ottawa Limited** to a third party for the payment in full of any secured indebtedness and all security interests granted to secure such obligations of **Hydro Ottawa Limited**.

5. **WAIVER OF NOTICE IN EVENT OF DEFAULT**

Hydro Ottawa Limited hereby waives presentment, protest and notice of any kind in the enforcement of this Promissory Note. **Hydro Ottawa Limited** further agrees to pay all costs of collection, including legal fees on a solicitor and client basis, in case the Principal Amount, or the amount remaining unpaid from time to time on this Promissory Note, or any payment of interest thereon is not made when due.

6. **RIGHTS AND REMEDIES IN EVENT OF DEFAULT**

The rights and remedies of **Hydro Ottawa Holding Inc.** under this Promissory Note which it may have at law or in equity against **Hydro Ottawa Limited** shall be distinct, separate and cumulative, and shall not be deemed inconsistent with one another, and none of the said rights, whether or not exercised by **Hydro Ottawa Holding Inc.**, shall be deemed to be to the exclusion of any other, and any one or more of said rights and remedies may be exercised at the same time. The obligations of **Hydro Ottawa Limited** under this Promissory Note shall continue until the entire debt evidenced hereby is paid, notwithstanding any court action or actions taken by **Hydro Ottawa Holding Inc.** which may be brought to recover any amounts due and payable under this Promissory Note. No delay or failure by **Hydro Ottawa Holding Inc.** in the enforcement of any covenant, promise or agreement of **Hydro Ottawa Limited** hereunder shall constitute or be deemed to constitute a waiver of such right. Any waivers of **Hydro Ottawa Holding Inc.** shall only occur and be valid when set forth in writing by **Hydro Ottawa Holding Inc.** No waiver of any event of default shall

discharge or release any person at any time liable for the payment of this Promissory Note from such liability. No single or partial exercise of any of **Hydro Ottawa Holding Inc.**'s powers hereunder shall preclude other and further exercise thereof or the exercise of any other power.

7. **ASSIGNMENT**

This Promissory Note may not be assigned by **Hydro Ottawa Limited** without the written consent of **Hydro Ottawa Holding Inc.**

8. **GOVERNING LAW**

This Promissory Note shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

9. **CANCELLATION OF PREVIOUS NOTE**

This interest bearing Promissory Note in the amount of one hundred twenty one million, three hundred thirty three thousand dollars (\$121,333,000) replaces 46.67% of the Promissory Note dated **May 14, 2013** in the amount of two hundred million dollars (\$200,000,000) made between **Hydro Ottawa Limited** and **Hydro Ottawa Holding Inc.** which matured February 9, 2015, and 46.67% of the \$60,000,000 outstanding as of February 9, 2015 on the Grid Promissory Note dated **May 14, 2013** made between **Hydro Ottawa Limited** and **Hydro Ottawa Holding Inc.**

IN WITNESS WHEREOF **Hydro Ottawa Limited** has duly executed this Promissory Note.

HYDRO OTTAWA LIMITED

Per: 

Name: J. Bryce Conrad

Title: President and Chief Executive Officer

Per: 

Name: Geoff Simpson

Title: Chief Financial Officer

PROMISSORY NOTE

Principal: \$107,185,000 lawful money of Canada	Effective May 14 th , 2013
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For value received, **Hydro Ottawa Limited** hereby unconditionally promises to pay to the order of **Hydro Ottawa Holding Inc.** at Ottawa, Canada on May 14, 2043 (the "Due Date") the principal amount of one hundred seven million one hundred eighty five thousand dollars (\$107,185,000) (the "Principal Amount") in lawful money of Canada and interest thereon upon the terms and subject to the conditions set forth below.

1. **INTEREST RATE**

The rate of interest payable on the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note shall be 4.144% per annum from May 14, 2013 to May 13, 2018 (the first five years). Subsequently, the rate of interest payable on the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note shall be 3.991% per annum from May 14, 2018 to May 13, 2043.

2. **TERMS OF PAYMENT**

The interest payable hereunder shall be calculated and payable monthly in arrears on the first day of each month, both before and after demand, default and judgment. **Hydro Ottawa Limited** shall pay to **Hydro Ottawa Holding Inc.**, on demand, interest on overdue interest at the rate described in section 1 hereof compounded on each date for the payment of interest on this Promissory Note before and after judgment.

3. **REPAYMENT**

- (1) Subject to the terms and conditions set out in sub-section 3 (4) herein, **Hydro Ottawa Limited** may, at any time, repay in whole or in part the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note and interest owing under this Promissory Note.
- (2) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable within 30 days following a change of control of **Hydro Ottawa Limited**. For the purpose of this sub-section control means with respect to **Hydro Ottawa Limited** at any time:
 - a. holding, as owner or other beneficiary, other than solely as beneficiary of an unrealized security interest, directly or indirectly, securities or ownership interests of **Hydro Ottawa Limited** carrying votes or ownership interests

sufficient to elect or appoint the majority of individuals who are responsible for the supervision or management of **Hydro Ottawa Limited**, or

- b. the exercise of de facto control of **Hydro Ottawa Limited**, whether direct or indirect and whether through the ownership of securities or ownership interests, by contract, trust or otherwise.

Hydro Ottawa Holding Inc. shall provide **Hydro Ottawa Limited** with no less than twenty (20) days' prior notice of the requirement to repay Principal and interest.

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

- (3) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable in the event that **Hydro Ottawa Limited**:

- a. disposes of substantially all of its property or assets;
- b. fails to pay any principal, premium or interest on an indebtedness however incurred beyond any period of grace applicable to such indebtedness, where the amount of the indebtedness is \$25 million or greater;
- c. fails to perform or observe an agreement, term or condition contained in any agreement under which an indebtedness in the amount of \$25 million or greater becomes due and payable; or
- d. for any other reason causes the whole or any part of the Principal Amount to be repayable to **Hydro Ottawa Holding Inc.** in advance of the Due Date;

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

- (4) In the event that **Hydro Ottawa Limited** chooses to repay or is required to repay in whole or in part the Principal Amount remaining unpaid and accrued and unpaid interest in accordance with sub-sections 3 (1), (2) or (3) herein, **Hydro Ottawa Limited** shall:

- a. Provide, where such repayment is initiated at the request of **Hydro Ottawa Limited**, at least fifty (50) days' prior notice in writing to **Hydro Ottawa Holding Inc.** setting out the proposed amount of the Principal Amount and accrued and unpaid interest that it proposes to pay and the date of such payment;
- b. Pay to **Hydro Ottawa Holding Inc.** in respect of the Principal Amount and accrued and unpaid interest to be paid, an amount calculated and determined

by **Hydro Ottawa Holding Inc.** in the same manner and subject to the same conditions (subject to any necessary changes) as the Redemption Price respecting an equivalent payment of principal as is set out in the Series 2013 – 1 Supplemental Indenture dated as of May 14, 2013 between Hydro Ottawa Holding Inc. and BNY Trust Company of Canada;

- c. Indemnify **Hydro Ottawa Holding Inc.**, in addition to the amount calculated and determined pursuant to sub-section 3 (4)(b) herein, for any damages, losses, liabilities, claims, demands, interest, charges, fines, penalties, assessments, judgments, costs and expenses suffered or asserted directly or indirectly arising from any payment made pursuant to sub-section 3 (1), (2) or (3) herein or any delay in providing such payment.

4. **SUBORDINATION**

The obligation of **Hydro Ottawa Limited** to pay the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note, together with interest thereon in accordance with and pursuant to this Promissory Note is subordinated and postponed to the obligations of **Hydro Ottawa Limited** to a third party for the payment in full of any secured indebtedness and all security interests granted to secure such obligations of **Hydro Ottawa Limited**.

5. **WAIVER OF NOTICE IN EVENT OF DEFAULT**

Hydro Ottawa Limited hereby waives presentment, protest and notice of any kind in the enforcement of this Promissory Note. **Hydro Ottawa Limited** further agrees to pay all costs of collection, including legal fees on a solicitor and client basis, in case the Principal Amount, or the amount remaining unpaid from time to time on this Promissory Note, or any payment of interest thereon is not made when due.

6. **RIGHTS AND REMEDIES IN EVENT OF DEFAULT**

The rights and remedies of **Hydro Ottawa Holding Inc.** under this Promissory Note which it may have at law or in equity against **Hydro Ottawa Limited** shall be distinct, separate and cumulative, and shall not be deemed inconsistent with one another, and none of the said rights, whether or not exercised by **Hydro Ottawa Holding Inc.**, shall be deemed to be to the exclusion of any other, and any one or more of said rights and remedies may be exercised at the same time. The obligations of **Hydro Ottawa Limited** under this Promissory Note shall continue until the entire debt evidenced hereby is paid, notwithstanding any court action or actions taken by **Hydro Ottawa Holding Inc.** which may be brought to recover any amounts due and payable under this Promissory Note. No delay or failure by **Hydro Ottawa Holding Inc.** in the enforcement of any covenant, promise or agreement of **Hydro Ottawa Limited** hereunder shall constitute or be deemed to constitute a waiver of such right. Any waivers of **Hydro Ottawa Holding Inc.** shall only occur and be valid when set forth in writing by **Hydro Ottawa Holding Inc.** No waiver of any event of default shall

discharge or release any person at any time liable for the payment of this Promissory Note from such liability. No single or partial exercise of any of **Hydro Ottawa Holding Inc.**'s powers hereunder shall preclude other and further exercise thereof or the exercise of any other power.

7. **ASSIGNMENT**

This Promissory Note may not be assigned by **Hydro Ottawa Limited** without the written consent of **Hydro Ottawa Holding Inc.**

8. **GOVERNING LAW**

This Promissory Note shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

9. **CANCELLATION OF PREVIOUS NOTE**

This interest bearing Promissory Note in the amount of one hundred seven million, one hundred eighty five thousand dollars (\$107,185,000) replaces the Demand Promissory Note dated **July 1, 2005** in the amount of thirty two million, one hundred eighty five thousand dollars (\$32,185,000) made between **Hydro Ottawa Limited** and **Hydro Ottawa Holding Inc.** and the Grid Promissory Note dated **January 1, 2009** in the amount of seventy five million dollars (\$75,000,000) made between **Hydro Ottawa Limited** and **Hydro Ottawa Holding Inc.**

IN WITNESS WHEREOF **Hydro Ottawa Limited** has duly executed this Promissory Note.

HYDRO OTTAWA LIMITED

Per: 

Name: J. Bryce Conrad

Title: President and Chief Executive Officer

Per: 

Name: Geoff Simpson

Title: Chief Financial Officer

PROMISSORY NOTE

Principal: \$50,000,000 lawful money of Canada	Effective May 14 th , 2013
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For value received, **Hydro Ottawa Limited**, hereby unconditionally promises to pay to the order of **Hydro Ottawa Holding Inc.** at Ottawa, Canada on December 19, 2036 (the "Due Date") the principal amount of fifty million dollars (\$50,000,000) (the "Principal Amount") in lawful money of Canada and interest thereon upon the terms and subject to the conditions set forth below.

1. **INTEREST RATE**

The rate of interest payable on the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note shall be 4.968% per annum.

2. **TERMS OF PAYMENT**

The interest payable hereunder shall be calculated and payable monthly in arrears on the first day of each month, both before and after demand, default and judgment. **Hydro Ottawa Limited** shall pay to **Hydro Ottawa Holding Inc.**, on demand, interest on overdue interest at the rate described in section 1 hereof compounded on each date for the payment of interest on this Promissory Note before and after judgment.

3. **REPAYMENT**

- (1) Subject to the terms and conditions set out in sub-section 3 (4) herein, **Hydro Ottawa Limited** may, at any time, repay in whole or in part the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note and interest owing under this Promissory Note.
- (2) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable within 30 days following a change of control of **Hydro Ottawa Limited**. For the purpose of this sub-section control means with respect to **Hydro Ottawa Limited** at any time:
 - a. holding, as owner or other beneficiary, other than solely as beneficiary of an unrealized security interest, directly or indirectly, securities or ownership interests of **Hydro Ottawa Limited** carrying votes or ownership interests sufficient to elect or appoint the majority of individuals who are responsible for the supervision or management of **Hydro Ottawa Limited**, or

- b. the exercise of de facto control of **Hydro Ottawa Limited**, whether direct or indirect and whether through the ownership of securities or ownership interests, by contract, trust or otherwise.

Hydro Ottawa Holding Inc. shall provide **Hydro Ottawa Limited** with no less than twenty (20) days' prior notice of the requirement to repay Principal and interest.

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

(3) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable in the event that **Hydro Ottawa Limited**:

- a. disposes of substantially all of its property or assets;
- b. fails to pay any principal, premium or interest on an indebtedness however incurred beyond any period of grace applicable to such indebtedness, where the amount of the indebtedness is \$25 million or greater;
- c. fails to perform or observe an agreement, term or condition contained in any agreement under which an indebtedness in the amount of \$25 million or greater becomes due and payable; or
- d. for any other reason causes the whole or any part of the Principal Amount to be repayable to **Hydro Ottawa Holding Inc.** in advance of the Due Date;

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

(4) In the event that **Hydro Ottawa Limited** chooses to repay or is required to repay in whole or in part the Principal Amount remaining unpaid and accrued and unpaid interest in accordance with sub-sections 3 (1), (2) or (3) herein, **Hydro Ottawa Limited** shall:

- a. Provide, where such repayment is initiated at the request of **Hydro Ottawa Limited**, at least fifty (50) days' prior notice in writing to **Hydro Ottawa Holding Inc.** setting out the proposed amount of the Principal Amount and accrued and unpaid interest that it proposes to pay and the date of such payment;
- b. Pay to **Hydro Ottawa Holding Inc.** in respect of the Principal Amount and accrued and unpaid interest to be paid, an amount calculated and determined by **Hydro Ottawa Holding Inc.** in the same manner and subject to the same conditions (subject to any necessary changes) as the

Redemption Price respecting an equivalent payment of principal as is set out in the Series 2006 – 1 Supplemental Indenture dated as of December 20, 2006 between Hydro Ottawa Holding Inc. and BNY Trust Company of Canada;

- c. Indemnify **Hydro Ottawa Holding Inc.**, in addition to the amount calculated and determined pursuant to sub-section 3 (4)(b) herein, for any damages, losses, liabilities, claims, demands, interest, charges, fines, penalties, assessments, judgments, costs and expenses suffered or asserted directly or indirectly arising from any payment made pursuant to sub-section 3 (1), (2) or (3) herein or any delay in providing such payment.

4. **SUBORDINATION**

The obligation of **Hydro Ottawa Limited** to pay the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note, together with interest thereon in accordance with and pursuant to this Promissory Note is subordinated and postponed to the obligations of **Hydro Ottawa Limited** to a third party for the payment in full of any secured indebtedness and all security interests granted to secure such obligations of **Hydro Ottawa Limited**.

5. **WAIVER OF NOTICE IN EVENT OF DEFAULT**

Hydro Ottawa Limited hereby waives presentment, protest and notice of any kind in the enforcement of this Promissory Note. **Hydro Ottawa Limited** further agrees to pay all costs of collection, including legal fees on a solicitor and client basis, in case the Principal Amount, or the amount remaining unpaid from time to time on this Promissory Note, or any payment of interest thereon is not made when due.

6. **RIGHTS AND REMEDIES IN EVENT OF DEFAULT**

The rights and remedies of **Hydro Ottawa Holding Inc.** under this Promissory Note which it may have at law or in equity against **Hydro Ottawa Limited** shall be distinct, separate and cumulative, and shall not be deemed inconsistent with one another, and none of the said rights, whether or not exercised by **Hydro Ottawa Holding Inc.**, shall be deemed to be to the exclusion of any other, and any one or more of said rights and remedies may be exercised at the same time. The obligations of **Hydro Ottawa Limited** under this Promissory Note shall continue until the entire debt evidenced hereby is paid, notwithstanding any court action or actions taken by **Hydro Ottawa Holding Inc.** which may be brought to recover any amounts due and payable under this Promissory Note. No delay or failure by **Hydro Ottawa Holding Inc.** in the enforcement of any covenant, promise or agreement of **Hydro Ottawa Limited** hereunder shall constitute or be deemed to constitute a waiver of such right. Any waivers of **Hydro Ottawa Holding Inc.** shall only occur and be valid when set forth in writing by **Hydro Ottawa Holding Inc.** No waiver of any event of default shall discharge or release any person at any time liable for the payment of this

Promissory Note from such liability. No single or partial exercise of any of **Hydro Ottawa Holding Inc.**'s powers hereunder shall preclude other and further exercise thereof or the exercise of any other power.

7. **ASSIGNMENT**

This Promissory Note may not be assigned by **Hydro Ottawa Limited** without the written consent of **Hydro Ottawa Holding Inc.**

8. **GOVERNING LAW**

This Promissory Note shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

9. **CANCELLATION OF PREVIOUS NOTE**

This interest bearing Promissory Note in the amount of fifty million dollars (\$50,000,000) replaces the Demand Promissory Note dated **December 20, 2006** in the amount of fifty million dollars (\$50,000,000) made between **Hydro Ottawa Limited** and **Hydro Ottawa Holding Inc.**

IN WITNESS WHEREOF **Hydro Ottawa Limited** has duly executed this Promissory Note.

HYDRO OTTAWA LIMITED

Per: 

Name: J. Bryce Conrad

Title: President and Chief Executive Officer

Per: 

Name: Geoff Simpson

Title: Chief Financial Officer

PROMISSORY NOTE

Principal: \$15,999,000 lawful money of Canada	Effective June 25 th , 2015
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For value received, **Hydro Ottawa Limited** hereby unconditionally promises to pay to the order of **Hydro Ottawa Holding Inc.** at Ottawa, Canada on June 25, 2025 (the “Due Date”) the principal amount of fifteen million, nine hundred ninety-nine thousand dollars (\$15,999,000) (the “Principal Amount”) in lawful money of Canada and interest thereon upon the terms and subject to the conditions set forth below.

1. INTEREST RATE

The rate of interest payable on the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note shall be 2.724% per annum from June 25, 2015 to June 25, 2020 (the first five years). Subsequently, the rate of interest payable on the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note shall be 2.614% per annum from June 26, 2020 to June 25, 2025.

2. TERMS OF PAYMENT

The interest payable hereunder shall be calculated and payable monthly in arrears on the first day of each month, both before and after demand, default and judgment. **Hydro Ottawa Limited** shall pay to **Hydro Ottawa Holding Inc.**, on demand, interest on overdue interest at the rate described in section 1 hereof compounded on each date for the payment of interest on this Promissory Note before and after judgment.

3. REPAYMENT

- (1) Subject to the terms and conditions set out in sub-section 3 (4) herein, **Hydro Ottawa Limited** may, at any time, repay in whole or in part the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note and interest owing under this Promissory Note.
- (2) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable within 30 days following a change of control of **Hydro Ottawa Limited**. For the purpose of this sub-section control means with respect to **Hydro Ottawa Limited** at any time:
 - a. holding, as owner or other beneficiary, other than solely as beneficiary of an unrealized security interest, directly or indirectly, securities or ownership interests of **Hydro Ottawa Limited** carrying votes or ownership interests

sufficient to elect or appoint the majority of individuals who are responsible for the supervision or management of **Hydro Ottawa Limited**, or

- b. the exercise of de facto control of **Hydro Ottawa Limited**, whether direct or indirect and whether through the ownership of securities or ownership interests, by contract, trust or otherwise.

Hydro Ottawa Holding Inc. shall provide **Hydro Ottawa Limited** with no less than twenty (20) days' prior notice of the requirement to repay Principal and interest.

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

- (3) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable in the event that **Hydro Ottawa Limited**:

- a. disposes of substantially all of its property or assets;
- b. fails to pay any principal, premium or interest on an indebtedness however incurred beyond any period of grace applicable to such indebtedness, where the amount of the indebtedness is \$25 million or greater;
- c. fails to perform or observe an agreement, term or condition contained in any agreement under which an indebtedness in the amount of \$25 million or greater becomes due and payable; or
- d. for any other reason causes the whole or any part of the Principal Amount to be repayable to **Hydro Ottawa Holding Inc.** in advance of the Due Date;

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

- (4) In the event that **Hydro Ottawa Limited** chooses to repay or is required to repay in whole or in part the Principal Amount remaining unpaid and accrued and unpaid interest in accordance with sub-sections 3 (1), (2) or (3) herein, **Hydro Ottawa Limited** shall:

- a. Provide, where such repayment is initiated at the request of **Hydro Ottawa Limited**, at least fifty (50) days' prior notice in writing to **Hydro Ottawa Holding Inc.** setting out the proposed amount of the Principal Amount and accrued and unpaid interest that it proposes to pay and the date of such payment;
- b. Pay to **Hydro Ottawa Holding Inc.** in respect of the Principal Amount and accrued and unpaid interest to be paid, an amount calculated and determined

by **Hydro Ottawa Holding Inc.** in the same manner and subject to the same conditions (subject to any necessary changes) as the Redemption Price respecting an equivalent payment of principal as is set out in the Series 2015 – 1 Supplemental Indenture dated as of February 2, 2015 between Hydro Ottawa Holding Inc. and BNY Trust Company of Canada;

- c. Indemnify **Hydro Ottawa Holding Inc.**, in addition to the amount calculated and determined pursuant to sub-section 3 (4)(b) herein, for any damages, losses, liabilities, claims, demands, interest, charges, fines, penalties, assessments, judgments, costs and expenses suffered or asserted directly or indirectly arising from any payment made pursuant to sub-section 3 (1), (2) or (3) herein or any delay in providing such payment.

4. **SUBORDINATION**

The obligation of **Hydro Ottawa Limited** to pay the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note, together with interest thereon in accordance with and pursuant to this Promissory Note is subordinated and postponed to the obligations of **Hydro Ottawa Limited** to a third party for the payment in full of any secured indebtedness and all security interests granted to secure such obligations of **Hydro Ottawa Limited**.

5. **WAIVER OF NOTICE IN EVENT OF DEFAULT**

Hydro Ottawa Limited hereby waives presentment, protest and notice of any kind in the enforcement of this Promissory Note. **Hydro Ottawa Limited** further agrees to pay all costs of collection, including legal fees on a solicitor and client basis, in case the Principal Amount, or the amount remaining unpaid from time to time on this Promissory Note, or any payment of interest thereon is not made when due.

6. **RIGHTS AND REMEDIES IN EVENT OF DEFAULT**

The rights and remedies of **Hydro Ottawa Holding Inc.** under this Promissory Note which it may have at law or in equity against **Hydro Ottawa Limited** shall be distinct, separate and cumulative, and shall not be deemed inconsistent with one another, and none of the said rights, whether or not exercised by **Hydro Ottawa Holding Inc.**, shall be deemed to be to the exclusion of any other, and any one or more of said rights and remedies may be exercised at the same time. The obligations of **Hydro Ottawa Limited** under this Promissory Note shall continue until the entire debt evidenced hereby is paid, notwithstanding any court action or actions taken by **Hydro Ottawa Holding Inc.** which may be brought to recover any amounts due and payable under this Promissory Note. No delay or failure by **Hydro Ottawa Holding Inc.** in the enforcement of any covenant, promise or agreement of **Hydro Ottawa Limited** hereunder shall constitute or be deemed to constitute a waiver of such right. Any waivers of **Hydro Ottawa Holding Inc.** shall only occur and be valid when set forth in writing by **Hydro Ottawa Holding Inc.** No waiver of any event of default shall

discharge or release any person at any time liable for the payment of this Promissory Note from such liability. No single or partial exercise of any of **Hydro Ottawa Holding Inc.**'s powers hereunder shall preclude other and further exercise thereof or the exercise of any other power.

7. **ASSIGNMENT**

This Promissory Note may not be assigned by **Hydro Ottawa Limited** without the written consent of **Hydro Ottawa Holding Inc.**

8. **GOVERNING LAW**

This Promissory Note shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF **Hydro Ottawa Limited** has duly executed this Promissory Note.

HYDRO OTTAWA LIMITED

Per: 

Name: Geoff Simpson

Title: Chief Financial Officer

Per: 

Name: Mike Grue

Title: Treasurer

PROMISSORY NOTE

Principal: \$14,001,000 lawful money of Canada	Effective June 25 th , 2015
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For value received, **Hydro Ottawa Limited** hereby unconditionally promises to pay to the order of **Hydro Ottawa Holding Inc.** at Ottawa, Canada on June 25, 2045 (the “Due Date”) the principal amount of fourteen million and one thousand dollars (\$14,001,000) (the “Principal Amount”) in lawful money of Canada and interest thereon upon the terms and subject to the conditions set forth below.

1. INTEREST RATE

The rate of interest payable on the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note shall be 3.769% per annum from June 25, 2015 to June 25, 2020 (the first five years). Subsequently, the rate of interest payable on the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note shall be 3.639% per annum from June 26, 2020 to June 25, 2045.

2. TERMS OF PAYMENT

The interest payable hereunder shall be calculated and payable monthly in arrears on the first day of each month, both before and after demand, default and judgment. **Hydro Ottawa Limited** shall pay to **Hydro Ottawa Holding Inc.**, on demand, interest on overdue interest at the rate described in section 1 hereof compounded on each date for the payment of interest on this Promissory Note before and after judgment.

3. REPAYMENT

- (1) Subject to the terms and conditions set out in sub-section 3 (4) herein, **Hydro Ottawa Limited** may, at any time, repay in whole or in part the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note and interest owing under this Promissory Note.
- (2) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable within 30 days following a change of control of **Hydro Ottawa Limited**. For the purpose of this sub-section control means with respect to **Hydro Ottawa Limited** at any time:
 - a. holding, as owner or other beneficiary, other than solely as beneficiary of an unrealized security interest, directly or indirectly, securities or ownership interests of **Hydro Ottawa Limited** carrying votes or ownership interests

sufficient to elect or appoint the majority of individuals who are responsible for the supervision or management of **Hydro Ottawa Limited**, or

- b. the exercise of de facto control of **Hydro Ottawa Limited**, whether direct or indirect and whether through the ownership of securities or ownership interests, by contract, trust or otherwise.

Hydro Ottawa Holding Inc. shall provide **Hydro Ottawa Limited** with no less than twenty (20) days' prior notice of the requirement to repay Principal and interest.

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

- (3) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable in the event that **Hydro Ottawa Limited**:

- a. disposes of substantially all of its property or assets;
- b. fails to pay any principal, premium or interest on an indebtedness however incurred beyond any period of grace applicable to such indebtedness, where the amount of the indebtedness is \$25 million or greater;
- c. fails to perform or observe an agreement, term or condition contained in any agreement under which an indebtedness in the amount of \$25 million or greater becomes due and payable; or
- d. for any other reason causes the whole or any part of the Principal Amount to be repayable to **Hydro Ottawa Holding Inc.** in advance of the Due Date;

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

- (4) In the event that **Hydro Ottawa Limited** chooses to repay or is required to repay in whole or in part the Principal Amount remaining unpaid and accrued and unpaid interest in accordance with sub-sections 3 (1), (2) or (3) herein, **Hydro Ottawa Limited** shall:

- a. Provide, where such repayment is initiated at the request of **Hydro Ottawa Limited**, at least fifty (50) days' prior notice in writing to **Hydro Ottawa Holding Inc.** setting out the proposed amount of the Principal Amount and accrued and unpaid interest that it proposes to pay and the date of such payment;
- b. Pay to **Hydro Ottawa Holding Inc.** in respect of the Principal Amount and accrued and unpaid interest to be paid, an amount calculated and determined

by **Hydro Ottawa Holding Inc.** in the same manner and subject to the same conditions (subject to any necessary changes) as the Redemption Price respecting an equivalent payment of principal as is set out in the Series 2015 – 2 Supplemental Indenture dated as of February 2, 2015 between Hydro Ottawa Holding Inc. and BNY Trust Company of Canada;

- c. Indemnify **Hydro Ottawa Holding Inc.**, in addition to the amount calculated and determined pursuant to sub-section 3 (4)(b) herein, for any damages, losses, liabilities, claims, demands, interest, charges, fines, penalties, assessments, judgments, costs and expenses suffered or asserted directly or indirectly arising from any payment made pursuant to sub-section 3 (1), (2) or (3) herein or any delay in providing such payment.

4. **SUBORDINATION**

The obligation of **Hydro Ottawa Limited** to pay the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note, together with interest thereon in accordance with and pursuant to this Promissory Note is subordinated and postponed to the obligations of **Hydro Ottawa Limited** to a third party for the payment in full of any secured indebtedness and all security interests granted to secure such obligations of **Hydro Ottawa Limited**.

5. **WAIVER OF NOTICE IN EVENT OF DEFAULT**

Hydro Ottawa Limited hereby waives presentment, protest and notice of any kind in the enforcement of this Promissory Note. **Hydro Ottawa Limited** further agrees to pay all costs of collection, including legal fees on a solicitor and client basis, in case the Principal Amount, or the amount remaining unpaid from time to time on this Promissory Note, or any payment of interest thereon is not made when due.

6. **RIGHTS AND REMEDIES IN EVENT OF DEFAULT**

The rights and remedies of **Hydro Ottawa Holding Inc.** under this Promissory Note which it may have at law or in equity against **Hydro Ottawa Limited** shall be distinct, separate and cumulative, and shall not be deemed inconsistent with one another, and none of the said rights, whether or not exercised by **Hydro Ottawa Holding Inc.**, shall be deemed to be to the exclusion of any other, and any one or more of said rights and remedies may be exercised at the same time. The obligations of **Hydro Ottawa Limited** under this Promissory Note shall continue until the entire debt evidenced hereby is paid, notwithstanding any court action or actions taken by **Hydro Ottawa Holding Inc.** which may be brought to recover any amounts due and payable under this Promissory Note. No delay or failure by **Hydro Ottawa Holding Inc.** in the enforcement of any covenant, promise or agreement of **Hydro Ottawa Limited** hereunder shall constitute or be deemed to constitute a waiver of such right. Any waivers of **Hydro Ottawa Holding Inc.** shall only occur and be valid when set forth in writing by **Hydro Ottawa Holding Inc.** No waiver of any event of default shall

discharge or release any person at any time liable for the payment of this Promissory Note from such liability. No single or partial exercise of any of **Hydro Ottawa Holding Inc.**'s powers hereunder shall preclude other and further exercise thereof or the exercise of any other power.

7. **ASSIGNMENT**

This Promissory Note may not be assigned by **Hydro Ottawa Limited** without the written consent of **Hydro Ottawa Holding Inc.**

8. **GOVERNING LAW**

This Promissory Note shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF **Hydro Ottawa Limited** has duly executed this Promissory Note.

HYDRO OTTAWA LIMITED

Per: 

Name: Geoff Simpson

Title: Chief Financial Officer

Per: 

Name: Mike Grue

Title: Treasurer

PROMISSORY NOTE

Principal: \$87,500,000 lawful money of Canada	Effective: October 16th, 2019
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For value received, **Hydro Ottawa Limited** hereby unconditionally promises to pay to the order of **Hydro Ottawa Holding Inc.** at Ottawa, Canada on October 16th, 2029 (the “Due Date”) the principal amount of eighty-seven million five hundred thousand dollars (\$87,500,000) (the “Principal Amount”) in lawful money of Canada and interest thereon upon the terms and subject to the conditions set forth below.

“Canada Yield Price” shall mean the price equal to the net present value of all scheduled payments of interest (other than accrued and unpaid interest) and principal on the Promissory Note being redeemed, calculated in accordance with generally accepted Canadian financial practice, using as a discount rate the sum of 30 basis points and the Canada Yield calculated at 10:00 a.m. (Toronto time) three business days prior to the redemption date of the Promissory Note being redeemed.

1. INTEREST RATE

The rate of interest payable on the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note shall be 2.66% per annum.

2. TERMS OF PAYMENT

The interest payable hereunder shall be calculated and payable monthly in arrears on the first day of each month, both before and after demand, default and judgment. **Hydro Ottawa Limited** shall pay to **Hydro Ottawa Holding Inc.**, on demand, interest on overdue interest at the rate described in section 1 hereof compounded on each date for the payment of interest on this Promissory Note before and after judgment.

3. REPAYMENT

- (1) Subject to the terms and conditions set out in sub-section 3 (4) herein, **Hydro Ottawa Limited** may, at any time, repay in whole or in part the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note and interest owing under this Promissory Note.
- (2) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable within 30 days following a change of control of **Hydro Ottawa Limited**. For the purpose of this sub-section control means with respect to **Hydro Ottawa Limited** at any time:

- a. holding, as owner or other beneficiary, other than solely as beneficiary of an unrealized security interest, directly or indirectly, securities or ownership interests of **Hydro Ottawa Limited** carrying votes or ownership interests sufficient to elect or appoint the majority of individuals who are responsible for the supervision or management of **Hydro Ottawa Limited**, or
- b. the exercise of de facto control of **Hydro Ottawa Limited**, whether direct or indirect and whether through the ownership of securities or ownership interests, by contract, trust or otherwise.

Hydro Ottawa Holding Inc. shall provide **Hydro Ottawa Limited** with no less than twenty (20) days' prior notice of the requirement to repay Principal and interest.

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

(3) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable in the event that **Hydro Ottawa Limited**:

- a. disposes of substantially all of its property or assets;
- b. fails to pay any principal, premium or interest on an indebtedness however incurred beyond any period of grace applicable to such indebtedness, where the amount of the indebtedness is \$25 million or greater;
- c. fails to perform or observe an agreement, term or condition contained in any agreement under which an indebtedness in the amount of \$25 million or greater becomes due and payable; or
- d. for any other reason causes the whole or any part of the Principal Amount to be repayable to **Hydro Ottawa Holding Inc.** in advance of the Due Date;

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

(4) In the event that **Hydro Ottawa Limited** chooses to repay or is required to repay in whole or in part the Principal Amount remaining unpaid and accrued and unpaid interest in accordance with sub-sections 3 (1), (2) or (3) herein, **Hydro Ottawa Limited** shall:

- a. Provide, where such repayment is initiated at the request of **Hydro Ottawa Limited**, at least fifty (50) days' prior notice in writing to **Hydro Ottawa Holding Inc.** setting out the proposed amount of the Principal Amount and accrued and unpaid interest that it proposes to pay and the date of such payment;

- b. Pay to **Hydro Ottawa Holding Inc.** a price equal to the greater of the Canada Yield Price and par, together in each case with accrued and unpaid interest to (but excluding) the redemption date.
- c. Indemnify **Hydro Ottawa Holding Inc.**, in addition to the amount calculated and determined pursuant to sub-section 3 (4)(b) herein, for any damages, losses, liabilities, claims, demands, interest, charges, fines, penalties, assessments, judgments, costs and expenses suffered or asserted directly or indirectly arising from any payment made pursuant to sub-section 3 (1), (2) or (3) herein or any delay in providing such payment.

4. **SUBORDINATION**

The obligation of **Hydro Ottawa Limited** to pay the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note, together with interest thereon in accordance with and pursuant to this Promissory Note is subordinated and postponed to the obligations of **Hydro Ottawa Limited** to a third party for the payment in full of any secured indebtedness and all security interests granted to secure such obligations of **Hydro Ottawa Limited**.

5. **WAIVER OF NOTICE IN EVENT OF DEFAULT**

Hydro Ottawa Limited hereby waives presentment, protest and notice of any kind in the enforcement of this Promissory Note. **Hydro Ottawa Limited** further agrees to pay all costs of collection, including legal fees on a solicitor and client basis, in case the Principal Amount, or the amount remaining unpaid from time to time on this Promissory Note, or any payment of interest thereon is not made when due.

6. **RIGHTS AND REMEDIES IN EVENT OF DEFAULT**

The rights and remedies of **Hydro Ottawa Holding Inc.** under this Promissory Note which it may have at law or in equity against **Hydro Ottawa Limited** shall be distinct, separate and cumulative, and shall not be deemed inconsistent with one another, and none of the said rights, whether or not exercised by **Hydro Ottawa Holding Inc.**, shall be deemed to be to the exclusion of any other, and any one or more of said rights and remedies may be exercised at the same time. The obligations of **Hydro Ottawa Limited** under this Promissory Note shall continue until the entire debt evidenced hereby is paid, notwithstanding any court action or actions taken by **Hydro Ottawa Holding Inc.** which may be brought to recover any amounts due and payable under this Promissory Note. No delay or failure by **Hydro Ottawa Holding Inc.** in the enforcement of any covenant, promise or agreement of **Hydro Ottawa Limited** hereunder shall constitute or be deemed to constitute a waiver of such right. Any waivers of **Hydro Ottawa Holding Inc.** shall only occur and be valid when set forth in writing by **Hydro Ottawa Holding Inc.** No waiver of any event of default shall discharge or release any person at any time liable for the payment of this Promissory

Note from such liability. No single or partial exercise of any of **Hydro Ottawa Holding Inc.**'s powers hereunder shall preclude other and further exercise thereof or the exercise of any other power.

7. **ASSIGNMENT**


This Promissory Note may not be assigned by **Hydro Ottawa Limited** without the written consent of **Hydro Ottawa Holding Inc.**

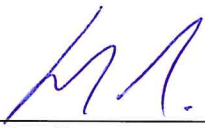
8. **GOVERNING LAW**

This Promissory Note shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF **Hydro Ottawa Limited** has duly executed this Promissory Note.

HYDRO OTTAWA LIMITED

Per: 
Name: Geoff Simpson
Title: Chief Financial Officer

Per: 
Name: Mike Grue
Title: Treasurer



Indicative Pricing as at October 11, 2019

HYDRO OTTAWA C\$ INDICATIVE PRICING TERMS

Fixed Rate					
Term	2 year	3 year	5 year	10 year	30 year
New Issue Spread	59 bps	68 bps	82 bps	118 bps	160 bps
CAD Benchmark Bond	Can 1.50% 08/21	Can 1.00% 09/22	Can 1.50% 09/24	Can 2.25% 06/29	Can 2.75% 12/48
CAD Benchmark Yield	1.64%	1.58%	1.50%	1.48%	1.61%
Curve Adjustment	-0.01%	0.00%	0.00%	0.01%	0.00%
CAD Coupon	2.22%	2.26%	2.32%	2.66%	3.21%
Spread to 3m BA	33 bps	41 bps	51 bps	82 bps	127 bps
Spread to 3m LIBOR	51 bps	56 bps	61 bps	87 bps	138 bps
Spread Changes					
	2 year	3 year	5 year	10 year	30 year
Week-over-Week	0 bps	0 bps	0 bps	0 bps	-3 bps
Comparable Issuers					
	2 year	3 year	5 year	10 year	30 year
Ontario	-	29 bps	45 bps	71 bps	82 bps
Hydro One	56 bps	66 bps	80 bps	116 bps	158 bps
Toronto Hydro	-	57 bps	68 bps	99 bps	139 bps

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The opinions, estimates and projections contained herein are those of BMO Nesbitt Burns Inc. ("BMO NBI") as of the date hereof and are subject to change without notice. BMO NBI makes every effort to ensure that the contents herein have been compiled or derived from sources believed reliable and contain information and opinions, which are accurate and complete. However, BMO NBI makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions which may be contained herein and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents. Information may be available to BMO NBI, which is not reflected herein. This report is not to be construed as an offer to sell, or a solicitation for, or an offer to buy, any securities. BMO NBI, its affiliates and/or their respective officers, directors or employees may from time to time acquire, hold or sell securities mentioned herein as principal or agent. BMO NBI may act as financial advisor and/or underwriter for certain of the corporations mentioned herein and may receive remuneration for same. BMO NBI is a wholly owned subsidiary of BMO Nesbitt Burns Corporation Limited, which is a majority-owned subsidiary of Bank of Montreal. BMO Capital Markets is a registered trade name of BMO NBI.

To U.S. Residents:
BMO Capital Markets Corp. and/or BMO Nesbitt Burns Securities Ltd., affiliates of BMO NBI, accept responsibility for the contents herein, subject to the terms as set out above. Any U.S. person wishing to effect transactions in any security discussed herein should do so through BMO Capital Markets Corp. and/or BMO Nesbitt Burns Securities Ltd.

To U.K. Residents:
The contents hereof are intended solely for the use of, and may only be issued or passed on to, persons described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) order 1995, as amended.

™ "BMO (the M-bar roundel symbol) Capital Markets" is a trade-mark of Bank of Montreal, used under license.

Note: Indicative credit spreads represent the bid-side of the secondary market by BMO CM's trading desk. New issue credit spreads are determined by a variety of factors. This can result in an issuance spread that may incorporate a new issue premium. Indicative swapped-equivalent levels do not include credit charge, if applicable.

PROMISSORY NOTE

Principal: \$162,500,000 lawful money of Canada	Effective: October 16th, 2019
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For value received, **Hydro Ottawa Limited** hereby unconditionally promises to pay to the order of **Hydro Ottawa Holding Inc.** at Ottawa, Canada on October 16th, 2049 (the “Due Date”) the principal amount of one hundred sixty-two million five hundred thousand dollars (\$162,500,000) (the “Principal Amount”) in lawful money of Canada and interest thereon upon the terms and subject to the conditions set forth below.

“Canada Yield Price” shall mean the price equal to the net present value of all scheduled payments of interest (other than accrued and unpaid interest) and principal on the Promissory Note being redeemed, calculated in accordance with generally accepted Canadian financial practice, using as a discount rate the sum of 40 basis points and the Canada Yield calculated at 10:00 a.m. (Toronto time) three business days prior to the redemption date of the Promissory Note being redeemed.

1. INTEREST RATE

The rate of interest payable on the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note shall be 3.21% per annum.

2. TERMS OF PAYMENT

The interest payable hereunder shall be calculated and payable monthly in arrears on the first day of each month, both before and after demand, default and judgment. **Hydro Ottawa Limited** shall pay to **Hydro Ottawa Holding Inc.**, on demand, interest on overdue interest at the rate described in section 1 hereof compounded on each date for the payment of interest on this Promissory Note before and after judgment.

3. REPAYMENT

- (1) Subject to the terms and conditions set out in sub-section 3 (4) herein, **Hydro Ottawa Limited** may, at any time, repay in whole or in part the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note and interest owing under this Promissory Note.
- (2) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable within 30 days following a change of control of **Hydro Ottawa Limited**. For the purpose of this sub-section control means with respect to **Hydro Ottawa Limited** at any time:

- a. holding, as owner or other beneficiary, other than solely as beneficiary of an unrealized security interest, directly or indirectly, securities or ownership interests of **Hydro Ottawa Limited** carrying votes or ownership interests sufficient to elect or appoint the majority of individuals who are responsible for the supervision or management of **Hydro Ottawa Limited**, or
- b. the exercise of de facto control of **Hydro Ottawa Limited**, whether direct or indirect and whether through the ownership of securities or ownership interests, by contract, trust or otherwise.

Hydro Ottawa Holding Inc. shall provide **Hydro Ottawa Limited** with no less than twenty (20) days' prior notice of the requirement to repay Principal and interest.

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

- (3) **Hydro Ottawa Holding Inc.** may require that **Hydro Ottawa Limited** repay the Principal Amount and interest payable in the event that **Hydro Ottawa Limited**:

- a. disposes of substantially all of its property or assets;
- b. fails to pay any principal, premium or interest on an indebtedness however incurred beyond any period of grace applicable to such indebtedness, where the amount of the indebtedness is \$25 million or greater;
- c. fails to perform or observe an agreement, term or condition contained in any agreement under which an indebtedness in the amount of \$25 million or greater becomes due and payable; or
- d. for any other reason causes the whole or any part of the Principal Amount to be repayable to **Hydro Ottawa Holding Inc.** in advance of the Due Date;

The amount to be repaid in respect of the Principal Amount and accrued and unpaid interest shall be determined in accordance with sub-section 3 (4) herein.

- (4) In the event that **Hydro Ottawa Limited** chooses to repay or is required to repay in whole or in part the Principal Amount remaining unpaid and accrued and unpaid interest in accordance with sub-sections 3 (1), (2) or (3) herein, **Hydro Ottawa Limited** shall:

- a. Provide, where such repayment is initiated at the request of **Hydro Ottawa Limited**, at least fifty (50) days' prior notice in writing to **Hydro Ottawa Holding Inc.** setting out the proposed amount of the Principal Amount and accrued and unpaid interest that it proposes to pay and the date of such payment;

- b. Pay to **Hydro Ottawa Holding Inc.** a price equal to the greater of the Canada Yield Price and par, together in each case with accrued and unpaid interest to (but excluding) the redemption date
- c. Indemnify **Hydro Ottawa Holding Inc.**, in addition to the amount calculated and determined pursuant to sub-section 3 (4)(b) herein, for any damages, losses, liabilities, claims, demands, interest, charges, fines, penalties, assessments, judgments, costs and expenses suffered or asserted directly or indirectly arising from any payment made pursuant to sub-section 3 (1), (2) or (3) herein or any delay in providing such payment.

4. **SUBORDINATION**

The obligation of **Hydro Ottawa Limited** to pay the Principal Amount or the amount remaining unpaid from time to time on this Promissory Note, together with interest thereon in accordance with and pursuant to this Promissory Note is subordinated and postponed to the obligations of **Hydro Ottawa Limited** to a third party for the payment in full of any secured indebtedness and all security interests granted to secure such obligations of **Hydro Ottawa Limited**.

5. **WAIVER OF NOTICE IN EVENT OF DEFAULT**

Hydro Ottawa Limited hereby waives presentment, protest and notice of any kind in the enforcement of this Promissory Note. **Hydro Ottawa Limited** further agrees to pay all costs of collection, including legal fees on a solicitor and client basis, in case the Principal Amount, or the amount remaining unpaid from time to time on this Promissory Note, or any payment of interest thereon is not made when due.

6. **RIGHTS AND REMEDIES IN EVENT OF DEFAULT**

The rights and remedies of **Hydro Ottawa Holding Inc.** under this Promissory Note which it may have at law or in equity against **Hydro Ottawa Limited** shall be distinct, separate and cumulative, and shall not be deemed inconsistent with one another, and none of the said rights, whether or not exercised by **Hydro Ottawa Holding Inc.**, shall be deemed to be to the exclusion of any other, and any one or more of said rights and remedies may be exercised at the same time. The obligations of **Hydro Ottawa Limited** under this Promissory Note shall continue until the entire debt evidenced hereby is paid, notwithstanding any court action or actions taken by **Hydro Ottawa Holding Inc.** which may be brought to recover any amounts due and payable under this Promissory Note. No delay or failure by **Hydro Ottawa Holding Inc.** in the enforcement of any covenant, promise or agreement of **Hydro Ottawa Limited** hereunder shall constitute or be deemed to constitute a waiver of such right. Any waivers of **Hydro Ottawa Holding Inc.** shall only occur and be valid when set forth in writing by **Hydro Ottawa Holding Inc.** No waiver of any event of default shall discharge or release any person at any time liable for the payment of this Promissory

Note from such liability. No single or partial exercise of any of **Hydro Ottawa Holding Inc.'s** powers hereunder shall preclude other and further exercise thereof or the exercise of any other power.

7. **ASSIGNMENT**

This Promissory Note may not be assigned by **Hydro Ottawa Limited** without the written consent of **Hydro Ottawa Holding Inc.**

8. **GOVERNING LAW**

This Promissory Note shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF **Hydro Ottawa Limited** has duly executed this Promissory Note.

HYDRO OTTAWA LIMITED

Per: 

Name: Geoff Simpson

Title: Chief Financial Officer

Per: 

Name: Mike Grue

Title: Treasurer



Indicative Pricing as at October 11, 2019

HYDRO OTTAWA C\$ INDICATIVE PRICING TERMS

Fixed Rate					
Term	2 year	3 year	5 year	10 year	30 year
New Issue Spread	59 bps	68 bps	82 bps	118 bps	160 bps
CAD Benchmark Bond	Can 1.50% 08/21	Can 1.00% 09/22	Can 1.50% 09/24	Can 2.25% 06/29	Can 2.75% 12/48
CAD Benchmark Yield	1.64%	1.58%	1.50%	1.48%	1.61%
Curve Adjustment	-0.01%	0.00%	0.00%	0.01%	0.00%
CAD Coupon	2.22%	2.26%	2.32%	2.66%	3.21%
Spread to 3m BA	33 bps	41 bps	51 bps	82 bps	127 bps
Spread to 3m LIBOR	51 bps	56 bps	61 bps	87 bps	138 bps
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Week-over-Week	0 bps	0 bps	0 bps	0 bps	-3 bps
Comparable Issuers	2 year	3 year	5 year	10 year	30 year
Ontario	-	29 bps	45 bps	71 bps	82 bps
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