



Exhibit 5

Cost of Capital

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2.5.1 Capital Structure

NOTL Hydro seeks to recover a weighted average cost of capital of 6.08% through rates in the 2024 Test Year.

In calculating the cost of capital, NOTL Hydro has used the OEB's deemed capital structure of 56% long-term debt, 4% short-term debt, and 40% equity as the Cost of Capital parameters in the OEB's letter of October 20, 2022 Cost of Capital Parameter Updates for 2023 Cost of Service and Custom Incentive Rate-setting Applications for the allowed return on equity ("ROE"):

Table 5.1: OEB Capital Structure

Capital Element	Capitalization Ratio	Cost Rate
Long-term Debt	56.00%	4.88%
Short-term Debt	4.00%	4.79%
Common Equity	40.00%	9.36%
Preferred Shares	0.00%	0.00%
Total	100.00%	6.67%

NOTL Hydro's actual capital structure, as of December 31, 2022, differs from the deemed capital structure in the following respect:

Table 5.2: NOTL Hydro vs. OEB Capital Structure

Capital Element	NOTL Hydro Capital Ratio	OEB Capital Ratio	Variance
Long-term Debt	39.6%	56.0%	-28.5%
Short-term Debt	0.4%	4.0%	+3.5%
Common Equity	60.0%	40.0%	+25.0%
Preferred Shares	0.0%	0.0%	-
Total	100.0%	100.0%	-

The calculation of the NOTL Hydro capital ratio has been simplified for illustrative purposes by ignoring all other liabilities. Other than the overdraft, all debt has been treated as long-term debt even though it shows as short-term debt on the balance sheet.

NOTL Hydro has considerably more equity capital than the OEB's deemed capital structure. NOTL Hydro has maintained a deliberate strategy of keeping its debt low in order to maintain financial flexibility into the future. This strategy is maintained for a number of reasons:

- The Board of NOTL Hydro believes this financial strategy is in the best interests of its customers in the long run.
- When needed, NOTL Hydro has been able to borrow easily and at favourable rates as its financial position is so strong.
- NOTL Hydro believes this strategy is important for when there is a need for larger than normal borrowing such as when upgrading its transformation stations or for the future energy transition.

NOTL Hydro has achieved this financial position through prudent cash management and by limiting its dividends to what is sustainable in the long term rather than at a particular ratio.

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

NOTL Hydro's cost of capital for 2024 has been calculated as 6.08%, as shown in the table below:

Table 5.3: NOTL Hydro Capital Structure for Rate Setting

Particulars	Ratio	Cost Rate
		(%)
Debt		
Long-term Debt	56%	3.83
Short-term Debt	4%	4.79
Total Debt	60%	3.89
Equity		
Common Equity	40%	9.36
Preferred Shares	0%	0.00
Total Equity	40%	9.36
Total	100%	6.08

The Cost of Capital parameters are consistent with the letter issued by the OEB on October 20, 2022. NOTL Hydro's cost of capital is lower than the OEB parameter of 6.67% as NOTL Hydro's long-term borrowing rate is lower. This is the result of both its prudent fiscal strategy as well as its practice of locking in long-term rates by way of interest rate swaps on a regular basis.

NOTL Hydro understands that the OEB may update the ROE for 2024 at a later date, and therefore commits to updating its Application to reflect the OEB's updated Cost of Capital Parameters for 2024 Cost of Service Applications and as new information is issued.

OEB Appendix 2-OA Cost of Capital

The tables below present the capital structure for the last Board Approved (2019) and the 2024 Test year as well as each year in between:

Table 5.4: 2019 Capital Structure – Board Approved

Particulars	Capitalization Ratio		Cost Rate	Return
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.0%	\$ 17,055,907	3.89%	\$ 663,475
Short-term Debt	4.0%	\$ 1,218,279	2.82%	\$ 34,355
Total Debt	60.0%	\$ 18,274,186	3.82%	\$ 697,830
Equity				
Common Equity	40.0%	\$ 12,182,791	8.98%	\$ 1,094,015
Preferred Shares		\$ -		\$ -
Total Equity	40.0%	\$ 12,182,791	8.98%	\$ 1,094,015
Total	100.0%	\$30,456,976	5.88%	\$1,791,845

Table 5.5: 2019 Capital Structure – Actual

Particulars	2019		Cost Rate	Return
	Capitalization Ratio			
Debt	(%)	(\$)	(%)	(\$)
Long-term Debt	56.0%	\$ 15,866,346	3.76%	\$ 596,575
Short-term Debt	4.0%	\$ 1,133,310	2.82%	\$ 31,959
Total Debt	60.0%	\$ 16,999,657	3.70%	\$ 628,534
Equity				
Common Equity	40.0%	\$ 11,333,104	8.98%	\$ 1,017,713
Preferred Shares		\$ -		\$ -
Total Equity	40.0%	\$ 11,333,104	8.98%	\$ 1,017,713
Total	100.0%	\$28,332,761	5.81%	\$1,646,247

Table 5.6: 2020 Capital Structure – Actual

Particulars	2020		Cost Rate	Return
	Capitalization Ratio			
Debt	(%)	(\$)	(%)	(\$)
Long-term Debt	56.0%	\$ 16,956,327	3.32%	\$ 562,950
Short-term Debt	4.0%	\$ 1,211,166	2.75%	\$ 33,307
Total Debt	60.0%	\$ 18,167,494	3.28%	\$ 596,257
Equity				
Common Equity	40.0%	\$ 12,111,662	8.52%	\$ 1,031,914
Preferred Shares		\$ -		\$ -
Total Equity	40.0%	\$ 12,111,662	8.52%	\$ 1,031,914
Total	100.0%	\$30,279,156	5.38%	\$1,628,171

Table 5.7: 2021 Capital Structure – Actual

Particulars	2021		Cost Rate	Return
	Capitalization Ratio			
Debt	(%)	(\$)	(%)	(\$)
Long-term Debt	56.0%	\$ 18,098,553	3.00%	\$ 542,957
Short-term Debt	4.0%	\$ 1,292,754	1.75%	\$ 22,623
Total Debt	60.0%	\$ 19,391,306	2.92%	\$ 565,580
Equity				
Common Equity	40.0%	\$ 12,927,538	8.34%	\$ 1,078,157
Preferred Shares		\$ -		\$ -
Total Equity	40.0%	\$ 12,927,538	8.34%	\$ 1,078,157
Total	100.0%	\$32,318,844	5.09%	\$1,643,736

Table 5.8: 2022 Capital Structure – Actual

Particulars	Capitalization Ratio		Cost Rate	Return
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.0%	\$ 18,287,964	3.12%	\$ 570,584
Short-term Debt	4.0%	\$ 1,306,283	1.17%	\$ 15,284
Total Debt	60.0%	\$ 19,594,248	2.99%	\$ 585,868
Equity				
Common Equity	40.0%	\$ 13,062,832	8.66%	\$ 1,131,241
Preferred Shares		\$ -		\$ -
Total Equity	40.0%	\$ 13,062,832	8.66%	\$ 1,131,241
Total	100.0%	\$32,657,079	5.26%	\$1,717,109

Table 5.9: 2023 Capital Structure – Bridge Year

Particulars	2023 Capitalization Ratio		Cost Rate	Return
	(%)	(\$)		
Debt				
Long-term Debt	56.0%	\$ 18,887,322	3.60%	\$ 679,944
Short-term Debt	4.0%	\$ 1,349,094	4.79%	\$ 64,622
Total Debt	60.0%	\$ 20,236,417	3.68%	\$ 744,565
Equity				
Common Equity	40.0%	\$ 13,490,944	9.36%	\$ 1,262,752
Preferred Shares		\$ -		\$ -
Total Equity	40.0%	\$ 13,490,944	9.36%	\$ 1,262,752
Total	100.0%	\$33,727,361	5.95%	\$2,007,318

Table 5.10: 2024 Capital Structure – Test Year

Particulars	2024 Capitalization Ratio		Cost Rate	Return
	(%)	(\$)		
Debt				
Long-term Debt	56.0%	\$ 19,906,692	3.83%	\$ 762,426
Short-term Debt	4.0%	\$ 1,421,907	4.79%	\$ 68,109
Total Debt	60.0%	\$ 21,328,598	3.89%	\$ 830,536
Equity				
Common Equity	40.0%	\$ 14,219,065	9.36%	\$ 1,330,905
Preferred Shares		\$ -		\$ -
Total Equity	40.0%	\$ 14,219,065	9.36%	\$ 1,330,905
Total	100.0%	\$35,547,664	6.08%	\$2,161,440

OEB Appendix 2-OB Cost of Debt Instruments

Appendix 2-OB below presents the debt for all required historical years, the 2023 Bridge Year and the 2024 Test year, illustrating the weighted average cost of long-term debt:

Table 5.11: 2019 to 2024 Debt Instruments

		Year		2024						
Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Opening Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	Actual Rate (%)	Actual Interest
Original Promissory Note	Town of NOTL	Affiliated	Fixed Rate	Jul 1, 2000	Open	\$ 1,087,664.09	4.88%	\$ 53,078.01	7.25%	\$ 73,040.80
York TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Aug 29, 2003	15	\$ -	6.03%	\$ -	6.03%	\$ -
NOTL TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Oct 27, 2005	15	\$ -	6.13%	\$ -	6.13%	\$ -
Infrastructure Ontario Loan	Infrastructure Ontario	Third-Party	Fixed Rate	Feb 15, 2011	15	\$ 216,667.18	4.27%	\$ 9,251.69	4.27%	\$ 7,333.13
Town loan - transformer	Town of NOTL	Affiliated	Fixed Rate	Feb 1, 2015	10	\$ 402,511.66	3.50%	\$ 14,087.91	3.38%	\$ 8,630.87
Town loan - capital projects	Town of NOTL	Affiliated	Fixed Rate	Oct 1, 2015	10	\$ 417,564.62	3.50%	\$ 14,614.76	3.38%	\$ 11,069.36
Operating Loan	CIBC	Third-Party	Fixed Rate	Dec 5, 2016	15	\$ 2,208,579.09	3.17%	\$ 69,967.79	3.17%	\$ 67,292.60
Transformer Loan	CIBC	Third-Party	Fixed Rate	Aug 1, 2019	15	\$ 2,358,173.92	2.27%	\$ 53,624.87	2.27%	\$ 52,301.43
Operating Loan 2021	CIBC	Third-Party	Fixed Rate	May 10, 2021	15	\$ 2,695,492.65	3.37%	\$ 90,703.33	3.37%	\$ 88,145.90
Operating Loan 2022	CIBC	Third-Party	Fixed Rate	Sep 2, 2022	15	\$ 2,847,430.42	4.75%	\$ 135,252.94	4.75%	\$ 132,059.30
Operating Loan 2023	CIBC	Third-Party	Fixed Rate	Jul 1, 2023	15	\$ 3,000,000.00	4.75%	\$ 142,500.00	4.75%	\$ 142,500.00
						\$ 15,234,084	3.83%	\$ 583,081.30		\$ 582,373.39
		Year		2023						
Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Opening Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	Actual Rate (%)	Actual Interest
Original Promissory Note	Town of NOTL	Affiliated	Fixed Rate	Jul 1, 2000	Open	\$ 1,252,605.56	4.88%	\$ 61,127.15	7.25%	\$ 85,404.57
York TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Aug 29, 2003	15	\$ -	6.03%	\$ -	6.03%	\$ -
NOTL TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Oct 27, 2005	15	\$ -	6.13%	\$ -	6.13%	\$ -
Infrastructure Ontario Loan	Infrastructure Ontario	Third-Party	Fixed Rate	Feb 15, 2011	15	\$ 316,667.14	4.27%	\$ 13,521.69	4.27%	\$ 11,568.01
Town loan - transformer	Town of NOTL	Affiliated	Fixed Rate	Feb 1, 2015	10	\$ 734,730.27	3.50%	\$ 25,715.56	3.38%	\$ 20,412.79
Town loan - capital projects	Town of NOTL	Affiliated	Fixed Rate	Oct 1, 2015	10	\$ 634,326.67	3.50%	\$ 22,201.43	3.38%	\$ 18,741.43
Operating Loan	CIBC	Third-Party	Fixed Rate	Dec 5, 2016	15	\$ 2,388,142.33	3.17%	\$ 75,656.35	3.17%	\$ 73,064.63
Transformer Loan	CIBC	Third-Party	Fixed Rate	Aug 1, 2019	15	\$ 2,538,552.54	2.27%	\$ 57,726.68	2.27%	\$ 56,342.91
Operating Loan 2021	CIBC	Third-Party	Fixed Rate	May 10, 2021	15	\$ 2,856,811.56	3.37%	\$ 96,131.71	3.37%	\$ 93,658.80
Operating Loan 2022	CIBC	Third-Party	Fixed Rate	Sep 2, 2022	15	\$ 2,988,540.04	4.75%	\$ 141,955.65	4.75%	\$ 138,909.87
Operating Loan 2023	CIBC		Variable	Jul 1, 2023		\$ -	4.75%	\$ -	4.75%	\$ -
						\$ 13,710,376	3.60%	\$ 494,036.23		\$ 498,103.01
		Year		2022						
Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Opening Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	Actual Rate (%)	Actual Interest
Original Promissory Note	Town of NOTL	Affiliated	Fixed Rate	Jul 1, 2000	Open	\$ 1,406,045.45	3.49%	\$ 49,070.99	7.25%	\$ 96,906.15
York TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Aug 29, 2003	15	\$ -	6.03%	\$ -	6.03%	\$ -
NOTL TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Oct 27, 2005	15	\$ -	6.13%	\$ -	6.13%	\$ -
Infrastructure Ontario Loan	Infrastructure Ontario	Third-Party	Fixed Rate	Feb 15, 2011	15	\$ 416,667.16	4.27%	\$ 17,791.69	4.27%	\$ 13,482.67
Town loan - transformer	Town of NOTL	Affiliated	Fixed Rate	Feb 1, 2015	10	\$ 1,055,523.67	3.50%	\$ 36,943.33	3.38%	\$ 27,285.85
Town loan - capital projects	Town of NOTL	Affiliated	Fixed Rate	Oct 1, 2015	10	\$ 843,643.92	3.50%	\$ 29,527.54	3.38%	\$ 22,319.57
Operating Loan	CIBC	Third-Party	Fixed Rate	Dec 5, 2016	15	\$ 2,562,113.00	3.17%	\$ 81,167.74	3.17%	\$ 79,836.09
Transformer Loan	CIBC	Third-Party	Fixed Rate	Aug 1, 2019	15	\$ 2,714,879.00	2.27%	\$ 61,736.35	2.27%	\$ 56,598.29
Operating Loan 2021	CIBC	Third-Party	Fixed Rate	May 10, 2021	15	\$ 2,000,000.00	3.37%	\$ 67,300.00	3.37%	\$ 85,991.06
Operating Loan 2022	CIBC	Third-Party	Fixed Rate	Sep 2, 2022	15	\$ -	4.75%	\$ -	4.75%	\$ 14,575.21
						\$ 10,998,872	3.12%	\$ 343,537.63		\$ 396,994.89
		Year		2021						
Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Opening Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	Actual Rate (%)	Actual Interest
Original Promissory Note	Town of NOTL	Affiliated	Fixed Rate	Jul 1, 2000	Open	\$ 1,548,785.77	2.85%	\$ 44,140.39	7.25%	\$ 107,605.94
York TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Aug 29, 2003	15	\$ -	6.03%	\$ -	6.03%	\$ -
NOTL TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Oct 27, 2005	15	\$ -	6.13%	\$ -	6.13%	\$ -
Infrastructure Ontario Loan	Infrastructure Ontario	Third-Party	Fixed Rate	Feb 15, 2011	15	\$ 516,667.12	4.27%	\$ 22,061.69	4.27%	\$ 20,102.16
Town loan - transformer	Town of NOTL	Affiliated	Fixed Rate	Feb 1, 2015	10	\$ 1,365,313.85	3.50%	\$ 47,785.98	3.38%	\$ 42,841.22
Town loan - capital projects	Town of NOTL	Affiliated	Fixed Rate	Oct 1, 2015	10	\$ 1,045,772.13	3.50%	\$ 36,602.02	3.38%	\$ 33,375.27
Operating Loan	CIBC	Third-Party	Fixed Rate	Dec 5, 2016	15	\$ 2,730,667.00	3.17%	\$ 86,507.53	3.17%	\$ 84,281.50
Transformer Loan	CIBC	Third-Party	Fixed Rate	Aug 1, 2019	15	\$ 2,887,246.00	2.27%	\$ 65,655.97	2.27%	\$ 64,104.35
Operating Loan 2021	CIBC	Third-Party	Variable	May 10, 2021		\$ -				\$ 13,275.21
						\$ 10,094,452	3.00%	\$ 302,753.59		\$ 365,585.65

Year				2020						
Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Opening Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	Actual Rate (%)	Actual Interest
Original Promissory Note	Town of NOTL	Affiliated	Fixed Rate	Jul 1, 2000	Open	\$ 1,738,777.88	3.21%	\$ 55,814.77	7.25%	\$ 108,501.52
York TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Aug 29, 2003	15	\$ -	6.03%	\$ -	6.03%	\$ -
NOTL TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Oct 27, 2005	15	\$ 189,862.49	6.13%	\$ 11,638.57	6.13%	\$ 3,964.22
Infrastructure Ontario Loan	Infrastructure Ontario	Third-Party	Fixed Rate	Feb 15, 2011	15	\$ 616,667.08	4.27%	\$ 26,331.68	4.27%	\$ 24,442.36
Town loan - transformer	Town of NOTL	Affiliated	Fixed Rate	Feb 1, 2015	10	\$ 1,664,310.60	3.50%	\$ 58,250.87	3.38%	\$ 53,634.65
Town loan - capital projects	Town of NOTL	Affiliated	Fixed Rate	Oct 1, 2015	10	\$ 1,240,843.25	3.50%	\$ 43,429.51	3.38%	\$ 40,432.36
Operating Loan	CIBC	Third-Party	Fixed Rate	Dec 5, 2016	15	\$ 2,893,969.00	3.17%	\$ 91,680.94	3.17%	\$ 85,669.73
Transformer Loan	CIBC	Third-Party	Fixed Rate	Aug 1, 2019	15	\$ 1,000,000.00	2.27%	\$ 22,740.00	2.27%	\$ 61,993.63
						\$ 9,344,430	3.32%	\$ 309,886.35		\$ 378,638.47
Year				2019						
Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Opening Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	Actual Rate (%)	Actual Interest
Original Promissory Note	Town of NOTL	Affiliated	Fixed Rate	Jul 1, 2000	Open	\$ 2,098,769.79	4.13%	\$ 86,679.19	7.25%	\$ 140,354.69
York TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Aug 29, 2003	15	\$ -	6.03%	\$ -	6.03%	\$ -
NOTL TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Oct 27, 2005	15	\$ 406,765.49	6.13%	\$ 24,934.72	6.13%	\$ 15,223.19
Infrastructure Ontario Loan	Infrastructure Ontario	Third-Party	Fixed Rate	Feb 15, 2011	15	\$ 716,667.04	4.27%	\$ 30,601.68	4.27%	\$ 28,642.17
Town loan - transformer	Town of NOTL	Affiliated	Fixed Rate	Feb 1, 2015	10	\$ 1,954,706.23	3.50%	\$ 68,414.72	3.38%	\$ 60,580.37
Town loan - capital projects	Town of NOTL	Affiliated	Fixed Rate	Oct 1, 2015	10	\$ 1,430,401.71	3.50%	\$ 50,064.06	3.38%	\$ 44,692.78
Operating Loan	CIBC	Third-Party	Fixed Rate	Dec 5, 2016	15	\$ 2,000,000.00	3.17%	\$ 63,360.00	3.17%	\$ 87,439.76
Transformer Loan	CIBC	Third-Party	Variable	Aug 1, 2019		\$ -		\$ -		\$ 13,345.47
						\$ 8,607,310	3.76%	\$ 324,054.38		\$ 390,278.43
Year				2019 BA						
Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Opening Principal (\$)	Rate (%) (Note 2)	Interest (\$) (Note 1)	Actual Rate (%)	Actual Interest
Original Promissory Note	Town of NOTL	Affiliated	Fixed Rate	Jul 1, 2000	Open	\$ 2,098,769.79	4.13%	\$ 86,679.19	7.25%	\$ 140,354.69
York TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Aug 29, 2003	15	\$ -	6.03%	\$ -	6.03%	\$ -
NOTL TS Demand Installment Loan	CIBC	Third-Party	Fixed Rate	Oct 27, 2005	15	\$ 424,319.94	6.13%	\$ 26,010.81	6.13%	\$ 18,898.02
Infrastructure Ontario Loan	Infrastructure Ontario	Third-Party	Fixed Rate	Feb 15, 2011	15	\$ 716,666.98	4.27%	\$ 30,601.68	4.27%	\$ 28,551.00
Town loan - transformer	Town of NOTL	Affiliated	Fixed Rate	Feb 1, 2015	10	\$ 1,954,706.22	3.38%	\$ 65,971.33	3.38%	\$ 54,628.35
Town loan - capital projects	Town of NOTL	Affiliated	Fixed Rate	Oct 1, 2015	10	\$ 1,430,401.71	3.38%	\$ 48,276.06	3.38%	\$ 40,289.78
						\$ 6,624,865	3.89%	\$ 257,539.08		\$ 282,721.84

NOTL Hydro proposes a Long-Term Debt cost rate for 2024 of 3.83% as calculated in Appendix 2-OB for 2024 as displayed in the table above.

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

Return on Equity

NOTL Hydro has used a ROE of 9.36% in 2024 as established by the Board for cost of service applications with 2023 implementation date.

Weighted Average Cost of Debt

NOTL Hydro proposes a Long-Term Debt cost rate for 2024 of 3.83% which is below the OEB's Deemed Long-Term debt rate of 4.88% as prescribed in the Board's letter of October 20, 2022 "Cost of Capital Parameter Updates for 2023 Cost of Service Applications".

Long Term Debt

NOTL Hydro's Long-Term Debt instruments are summarized below.

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

- **Original Promissory Note with Town of Niagara-on-the-Lake** – This promissory note was established as part of the creation of NOTL Hydro in 2000. As of December 31, 2023, the principal balance remaining is expected to be \$1,087,664. This is being repaid with monthly payments. The interest rate of 7.25% is above the OEB deemed rate of 4.88%. For the purposes of this application the deemed rate of 4.88% will be used. This approach is consistent with that approved in the 2019 Cost of Service filing. A copy of this note is included as Appendix 5A.
- **Ontario Infrastructure and Lands Corporation Loan** - NOTL Hydro borrowed \$1,500,000 in 2011 to fund smart meters. The loan was for a 15-year period with interest

at 4.27%. Repayment of the fixed rate long-term loan is made through monthly principal payments of \$8,333.33 plus interest. The outstanding principal balance as of December 31, 2023 will be \$216,667.

- **Promissory Note with Town of Niagara-on-the-Lake** - NOTL Hydro borrowed \$3,000,000 in 2015 to fund the purchase and installation of a new 50 MW transformer at the NOTL MTS. The loan was for a 10-year period with interest now at 3.50%. Repayment of the fixed rate long-term loan is made through blended (i.e., principal and interest) monthly payments of \$29,386. The outstanding principal balance as of December 31, 2023 will be \$402,512. A copy of this note is included as Appendix 5B.
- **Promissory Note with Town of Niagara-on-the-Lake** - NOTL Hydro borrowed \$2,000,000 in 2015 to fund ongoing capital expenditures. The loan was for a 10-year period with interest now at 3.50%. Repayment of the fixed rate long-term loan is made through blended (i.e., principal and interest) monthly payments of \$19,625. The outstanding principal balance as of December 31, 2023 is \$417,565. A copy of this note is included as Appendix 5C.
- **Demand Installment Loans and Swap with CIBC** – NOTL Hydro borrows from CIBC in \$3 million tranches. Borrowing on each tranche is at a floating rate of interest (90 day BA rates plus 125 basis points) until the full \$3 million is borrowed. At that point, the interest rate is fixed at the prevailing 15-year swap rate plus 75 basis points. The loans are repaid monthly with a fixed blended principal and interest payment. NOTL Hydro currently has four outstanding loans and one expected loan created in this manner.
 - 2016 operating loan with a fixed swap rate of 3.17% and \$2,208,579 outstanding as of December 31, 2023.
 - 2019 transformer loan with a fixed swap rate of 2.27% and \$2,358,174 outstanding as of December 31, 2023.
 - 2021 operating loan with a fixed swap rate of 3.37% and \$2,695,493 outstanding as of December 31, 2023.
 - 2022 operating loan with a fixed swap rate of 4.75% and \$2,847,430 outstanding as of December 31, 2023.
 - 2023 operating loan with a fixed swap rate of 4.75% and \$3,000,000 outstanding as of December 31, 2023

- **Additional Future Debt** – NOTL Hydro will need to borrow to fund planned investments as needed. Relations with CIBC are strong and NOTL Hydro believes the current debt strategy best meets its needs. It is expected that futures borrowing will be structured with CIBC in the same manner as above. The current average borrowing rate of 3.83% appears low but the future direction of interest rates is sufficiently uncertain that NOTL Hydro is not proposing a higher rate.

Short Term Debt

NOTL Hydro has used a short-term debt rate of 4.79% for 2024 as established by the Board for cost of service applications with a 2023 test year.

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

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

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

Notional Debt

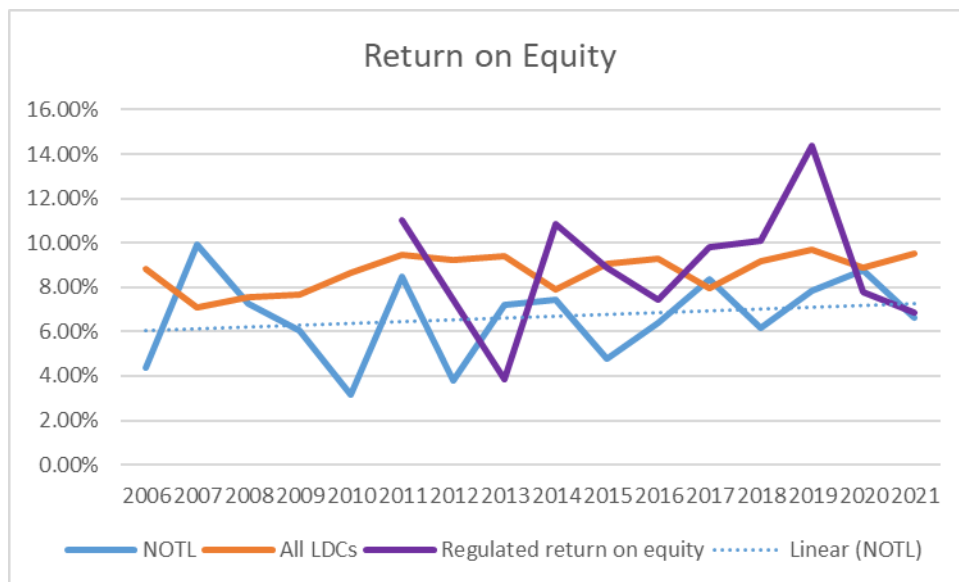
Notional debt is the portion of deemed debt that results from differences between the NOTL Hydro's actual debt and the deemed debt of 60% of the rate base. NOTL Hydro's actual debt level is substantially below the deemed 60% and this is shortfall expected to increase over the next

five years based on the projected capital expenditures. NOTL Hydro accepts the weighted average cost of its long-term debt as the rate on notional debt.

Historical Return on Equity

NOTL Hydro's historical return on equity is provided in the chart below. Due to its capital structure, NOTL Hydro has consistently earned a return on equity below the industry average. The regulated return on equity provides NOTL Hydro's ROE adjusted for the capital structure. While more volatile on a year-by-year basis, on average it is close to the industry average. The volatility is primarily driven by tax and regulatory balances. NOTL Hydro's high ROE in 2019 was created by the booking of a previous ICM after its approval in the cost of service of that year as well as some LRAM revenue. After these adjustments, NOTL Hydro's ROE was within the OEB acceptable range.

Table 5.12: NOTL Hydro Historical Return on Equity



2.5.3 Not-For-Profit

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

Appendix

List of Appendices

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



APPENDIX 5A

Original Promissory Note and
Current Repayment Schedule

PROMISSORY NOTE

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

Interest

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

Renewal

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

Adjustments

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

Replacement Note

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

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

NIAGARA-ON-THE-LAKE HYDRO INC.



Authorized Signing Officer



Authorized Signing Officer

A	B	C	D	E	F	G	H	I
SCHEDULE FOR 2013 TOWN LOAN PAYMENTS								
1								
2	Month	Principal Balance Prior Month End	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Total Principal Repayment	Principal Balance End of Month
3								
4		X = Y prior month	A	B	C = A + B	D	E = B + D	Y = X - E
5	Jan-2013	\$ 4,498,029.81	\$ 27,175.60	\$ 14,519.95	\$ 41,695.55	\$ 41,666.67	\$ 56,186.62	\$ 4,441,843.19
6	Feb-2013	\$ 4,441,843.19	\$ 26,836.14	\$ 14,859.41	\$ 41,695.55	\$ 41,666.67	\$ 56,526.08	\$ 4,385,317.11
7	Mar-2013	\$ 4,385,317.11	\$ 26,494.62	\$ 15,200.93	\$ 41,695.55	\$ 41,666.67	\$ 56,867.60	\$ 4,328,449.51
8	Apr-2013	\$ 4,328,449.51	\$ 26,151.05	\$ 15,544.50	\$ 41,695.55	\$ 41,666.67	\$ 57,211.17	\$ 4,271,238.34
9	May-2013	\$ 4,271,238.34	\$ 25,805.40	\$ 15,890.15	\$ 41,695.55	\$ 41,666.67	\$ 57,556.82	\$ 4,213,681.52
10	Jun-2013	\$ 4,213,681.52	\$ 25,457.66	\$ 16,237.89	\$ 41,695.55	\$ 41,666.67	\$ 57,904.56	\$ 4,155,776.96
11	Jul-2013	\$ 4,155,776.96	\$ 25,107.82	\$ 16,587.73	\$ 41,695.55	\$ 41,666.67	\$ 58,254.40	\$ 4,097,522.56
12	Aug-2013	\$ 4,097,522.56	\$ 24,755.87	\$ 16,939.68	\$ 41,695.55	\$ 41,666.67	\$ 58,606.35	\$ 4,038,916.21
13	Sep-2013	\$ 4,038,916.21	\$ 24,401.79	\$ 17,293.76	\$ 41,695.55	\$ 41,666.67	\$ 58,960.43	\$ 3,979,955.78
14	Oct-2013	\$ 3,979,955.78	\$ 24,045.57	\$ 17,649.98	\$ 41,695.55	\$ 41,666.67	\$ 59,316.65	\$ 3,920,639.13
15	Nov-2013	\$ 3,920,639.13	\$ 23,687.19	\$ 18,008.36	\$ 41,695.55	\$ 41,666.67	\$ 59,675.03	\$ 3,860,964.10
16	Dec-2013	\$ 3,860,964.10	\$ 23,326.66	\$ 18,368.89	\$ 41,695.55	\$ 41,666.63	\$ 60,035.52	\$ 3,800,928.58
17	TOTALS		\$ 303,245.37	\$ 197,101.23	\$ 500,346.60	\$ 500,000.00	\$ 697,101.23	\$ 1,000,346.60
18								
19	SCHEDULE FOR 2014 TOWN LOAN PAYMENTS							
20	Month	Principal Balance Prior Month End	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Principal Balance End of Month
21								
22	2014	X = Y prior month	A	B	C = A + B	D	E	Y = X - D - B
23	Jan	\$ 3,800,928.58	\$ 22,963.94	\$ 18,731.61	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,740,530.30
24	Feb	\$ 3,740,530.30	\$ 22,599.04	\$ 19,096.51	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,679,767.12
25	Mar	\$ 3,679,767.12	\$ 22,231.93	\$ 19,463.62	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,618,636.83
26	Apr	\$ 3,618,636.83	\$ 21,862.60	\$ 19,832.95	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,557,137.21
27	May	\$ 3,557,137.21	\$ 21,491.04	\$ 20,204.51	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,495,266.03
28	Jun	\$ 3,495,266.03	\$ 21,117.23	\$ 20,578.32	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,433,021.04
29	Jul	\$ 3,433,021.04	\$ 20,741.17	\$ 20,954.38	\$ 41,695.55	\$ 41,666.67	\$	\$ 3,370,399.99
30	Aug	\$ 3,370,399.99	\$ 20,362.83	\$ 12,999.39	\$ 33,362.22	\$	\$ 50,000.00	\$ 3,357,400.60
31	Sep	\$ 3,357,400.60	\$ 20,284.30	\$ 13,077.92	\$ 33,362.22	\$	\$ 50,000.00	\$ 3,344,322.68
32	Oct	\$ 3,344,322.68	\$ 20,205.28	\$ 13,156.94	\$ 33,362.22	\$	\$ 50,000.00	\$ 3,331,165.74
33	Nov	\$ 3,331,165.74	\$ 20,125.79	\$ 13,236.43	\$ 33,362.22	\$	\$ 50,000.00	\$ 3,317,929.31
34	Dec	\$ 3,317,929.31	\$ 20,045.82	\$ 13,316.40	\$ 33,362.22	\$ 291,666.69	\$ 50,000.00	\$ 3,304,612.91
35	TOTALS		\$ 254,030.97	\$ 204,648.98	\$ 458,679.95	\$	\$ 250,000.00	\$ 1,000,346.64
36								

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

A	B	C	D	E	F	G	H	I
SCHEDULE FOR 2017 TOWN LOAN PAYMENTS								
73								
Month	Principal Balance Prior Month End	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
74								
75								
76	2017	X = Y prior month	B	C = A + B	D	E	F = A + B + D + E	Y = X - D - B
77	Jan	\$ 2,745,195.91	\$ 25,109.99	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,720,085.92
78	Feb	\$ 2,720,085.92	\$ 16,433.85	\$ 25,261.70	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,694,824.22
79	Mar	\$ 2,694,824.22	\$ 16,281.23	\$ 25,414.32	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,669,409.90
80	Apr	\$ 2,669,409.90	\$ 16,127.68	\$ 25,567.87	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,643,842.03
81	May	\$ 2,643,842.03	\$ 15,973.21	\$ 25,722.34	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,618,119.69
82	Jun	\$ 2,618,119.69	\$ 15,817.81	\$ 25,877.74	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,592,241.95
83	Jul	\$ 2,592,241.95	\$ 15,661.46	\$ 26,034.09	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,566,207.86
84	Aug	\$ 2,566,207.86	\$ 15,504.17	\$ 26,191.38	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,540,016.48
85	Sep	\$ 2,540,016.48	\$ 15,345.93	\$ 26,349.62	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,513,666.86
86	Oct	\$ 2,513,666.86	\$ 15,186.74	\$ 26,508.81	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,487,158.05
87	Nov	\$ 2,487,158.05	\$ 15,026.58	\$ 26,668.97	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,460,489.08
88	Dec	\$ 2,460,489.08	\$ 14,865.45	\$ 26,830.10	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,433,658.98
89	TOTALS	\$ 188,809.67	\$ 311,536.93	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60	
90								
SCHEDULE FOR 2018 TOWN LOAN PAYMENTS								
91								
Month	Principal Balance Prior Month End	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
92								
93								
94	2018	X = Y prior month	B	C = A + B	D	E	F = A + B + D + E	Y = X - D - B
95	Jan	\$ 2,433,658.98	\$ 14,703.36	\$ 26,992.19	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,406,666.79
96	Feb	\$ 2,406,666.79	\$ 14,540.28	\$ 27,155.27	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,379,511.52
97	Mar	\$ 2,379,511.52	\$ 14,376.22	\$ 27,319.33	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,352,192.19
98	Apr	\$ 2,352,192.19	\$ 14,211.16	\$ 27,484.39	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,324,707.80
99	May	\$ 2,324,707.80	\$ 14,045.11	\$ 27,650.44	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,297,057.36
100	Jun	\$ 2,297,057.36	\$ 13,878.05	\$ 27,817.50	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,269,239.86
101	Jul	\$ 2,269,239.86	\$ 13,709.99	\$ 27,985.56	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,241,254.30
102	Aug	\$ 2,241,254.30	\$ 13,540.91	\$ 28,154.64	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,213,099.66
103	Sep	\$ 2,213,099.66	\$ 13,370.81	\$ 28,324.74	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,184,774.92
104	Oct	\$ 2,184,774.92	\$ 13,199.68	\$ 28,495.87	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,156,279.05
105	Nov	\$ 2,156,279.05	\$ 13,027.52	\$ 28,668.03	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,127,611.02
106	Dec	\$ 2,127,611.02	\$ 12,854.32	\$ 28,841.23	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,098,769.79
107	TOTALS	\$ 165,457.41	\$ 334,889.19	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60	
108								
109								

A	B	C	D	E	F	G	H	I
SCHEDULE FOR 2019 TOWN LOAN PAYMENTS								
110								
		Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
111	Month	Principal Balance						
112		Prior Month End	\$ 500,346.60		\$ -			Y = X - D - B
113	2019	X = Y prior month	A	C = A + B	D	E	F = A + B + D + E	
114	Jan	\$ 2,098,769.79	\$ 12,680.07	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,069,754.31
115	Feb	\$ 2,069,754.31	\$ 12,504.77	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,040,563.53
116	Mar	\$ 2,040,563.53	\$ 12,328.40	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 2,011,196.38
117	Apr	\$ 2,011,196.38	\$ 12,150.98	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,981,651.81
118	May	\$ 1,981,651.81	\$ 11,972.48	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,951,928.74
119	Jun	\$ 1,951,928.74	\$ 11,792.90	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,922,026.09
120	Jul	\$ 1,922,026.09	\$ 11,612.24	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,891,942.78
121	Aug	\$ 1,891,942.78	\$ 11,430.49	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,861,677.72
122	Sep	\$ 1,861,677.72	\$ 11,247.64	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,831,229.81
123	Oct	\$ 1,831,229.81	\$ 11,063.68	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,800,597.94
124	Nov	\$ 1,800,597.94	\$ 10,878.61	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,769,781.00
125	Dec	\$ 1,769,781.00	\$ 10,692.43	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,738,777.88
126	TOTALS	\$ 140,354.69	\$ 359,991.91	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60	
127								
SCHEDULE FOR 2020 TOWN LOAN PAYMENTS								
128								
		Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
129	Month	Principal Balance						
130		Prior Month End	\$ 500,346.60		\$ -			Y = X - D - B
131	2020	X = Y prior month	A	C = A + B	D	E	F = A + B + D + E	
132	Jan	\$ 1,738,777.88	\$ 10,505.12	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,707,587.45
133	Feb	\$ 1,707,587.45	\$ 10,316.67	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,676,208.57
134	Mar	\$ 1,676,208.57	\$ 10,127.09	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,644,640.11
135	Apr	\$ 1,644,640.11	\$ 9,936.37	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,612,880.93
136	May	\$ 1,612,880.93	\$ 9,744.49	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,580,929.87
137	Jun	\$ 1,580,929.87	\$ 9,551.45	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,548,785.77
138	Jul	\$ 1,548,785.77	\$ 9,357.25	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,516,447.47
139	Aug	\$ 1,516,447.47	\$ 9,161.87	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,483,913.79
140	Sep	\$ 1,483,913.79	\$ 8,965.31	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,451,183.55
141	Oct	\$ 1,451,183.55	\$ 8,767.57	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,418,255.57
142	Nov	\$ 1,418,255.57	\$ 8,568.63	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,385,128.65
143	Dec	\$ 1,385,128.65	\$ 8,368.49	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,351,801.59
144	TOTALS	\$ 113,370.31	\$ 386,976.29	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60	
145								

A	B	C	D	E	F	G	H	I
SCHEDULE FOR 2021 TOWN LOAN PAYMENTS								
146								
		Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
147	Month							
148		Principal Balance Prior Month End	\$ 500,346.60		\$ -			Y = X - D - B
149	2021	X = Y prior month		C = A + B	D	E	F = A + B + D + E	
150	Jan	\$ 1,351,801.59	\$ 33,528.42	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,318,273.17
151	Feb	\$ 1,318,273.17	\$ 33,730.98	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,284,542.19
152	Mar	\$ 1,284,542.19	\$ 33,934.77	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,250,607.42
153	Apr	\$ 1,250,607.42	\$ 34,139.80	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,216,467.62
154	May	\$ 1,216,467.62	\$ 34,346.06	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,182,121.56
155	Jun	\$ 1,182,121.56	\$ 34,553.57	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,147,567.99
156	Jul	\$ 1,147,567.99	\$ 34,762.33	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,112,805.66
157	Aug	\$ 1,112,805.66	\$ 34,972.35	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,077,833.31
158	Sep	\$ 1,077,833.31	\$ 35,183.64	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,042,649.67
159	Oct	\$ 1,042,649.67	\$ 35,396.21	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 1,007,253.46
160	Nov	\$ 1,007,253.46	\$ 35,610.06	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 971,643.40
161	Dec	\$ 971,643.40	\$ 35,825.20	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 935,818.20
162	TOTALS	\$ 84,363.21	\$ 415,983.39	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60	
163								
SCHEDULE FOR 2022 TOWN LOAN PAYMENTS								
164								
		Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
165	Month							
166		Principal Balance Prior Month End	\$ 500,346.60		\$ -			Y = X - D - B
167	2022	X = Y prior month		C = A + B	D	E	F = A + B + D + E	
168	Jan	\$ 935,818.20	\$ 36,041.65	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 899,776.55
169	Feb	\$ 899,776.55	\$ 36,259.40	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 863,517.15
170	Mar	\$ 863,517.15	\$ 36,478.47	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 827,038.68
171	Apr	\$ 827,038.68	\$ 36,698.86	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 790,339.82
172	May	\$ 790,339.82	\$ 36,920.58	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 753,419.24
173	Jun	\$ 753,419.24	\$ 37,143.64	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 716,275.60
174	Jul	\$ 716,275.60	\$ 37,368.05	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 678,907.55
175	Aug	\$ 678,907.55	\$ 37,593.82	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 641,313.73
176	Sep	\$ 641,313.73	\$ 37,820.95	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 603,492.78
177	Oct	\$ 603,492.78	\$ 38,049.45	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 565,443.33
178	Nov	\$ 565,443.33	\$ 38,279.33	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 527,164.00
179	Dec	\$ 527,164.00	\$ 38,510.60	\$ 41,695.55	\$ -	\$ 41,666.67	\$ 83,362.22	\$ 488,653.40
180	TOTALS	\$ 53,181.80	\$ 447,164.80	\$ 500,346.60	\$ -	\$ 500,000.00	\$ 1,000,346.60	
181								

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

201	SCHEDULE FOR 2024 TOWN LOAN PAYMENTS								
	Month	Principal Balance Prior Month End	Interest at 7.25%/12 on Prior Month End Balance	Principal Top Up to Annual Regular Payment Commitment of	Total Regular Monthly Payments. Assume equal payments	Extra Principal Repayment for Year	Dividends	Total Payments	Principal Balance End of Month
202				\$ 500,346.60		\$ -			Y = X - D - B
203		X = Y prior month	A	B	C = A + B	D	E	F = A + B + D + E	Y = X - D - B
204	2024								
205	Jan	\$ 7,969.90	\$ 48.15	\$ 7,969.90	\$ 8,018.05	\$ -	\$ 75,344.17	\$ 83,362.22	\$ -
206	Feb						\$ 83,362.22	\$ 83,362.22	
207	Mar						\$ 83,362.22	\$ 83,362.22	
208	Apr						\$ 83,362.22	\$ 83,362.22	
209	May						\$ 83,362.22	\$ 83,362.22	
210	Jun						\$ 83,362.22	\$ 83,362.22	
211	Jul						\$ 83,362.22	\$ 83,362.22	\$ -
212	Aug						\$ 83,362.22	\$ 83,362.22	
213	Sep						\$ 83,362.22	\$ 83,362.22	
214	Oct						\$ 83,362.22	\$ 83,362.22	
215	Nov						\$ 83,362.22	\$ 83,362.22	
216	Dec						\$ 83,362.22	\$ 83,362.22	
217	TOTALS		\$ 48.15	\$ 7,969.90	\$ 8,018.05	\$ -	\$ 992,328.55	\$ 1,000,346.60	
218									



APPENDIX 5B

Promissory Note
Transformer

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

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

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

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

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


LORD MAYOR PAT DARTE


TOWN CLERK HOLLY DOWD

THE AGREEMENT IS DATED THIS 19TH DAY OF JANUARY 2015

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

Callable Instalment Loan criteria:

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

Covenants

Good Standing:

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

Regulatory Compliance:

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

Notice of Litigation and Demand and Default:

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

Payments:

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

Insurance:

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

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

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

By: 

Name: Pat Darte

Title: Lord Mayor

By: 

Name: Holly Dowd

Title: Town Clerk

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

NIAGARA-ON-THE-LAKE HYDRO INC.

By: 

Name: Timothy B. Curtis

Title: President

By: 

Name: Jim Ryan

Title: Chair

Niagara-on-the-Lake Hydro Inc

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

Repayment Schedule

Interest rate and monthly payment 3.00% 28968.35

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

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



APPENDIX 5C

Promissory Note
Capital Projects

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

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

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

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

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


LORD MAYOR PAT DARTE


TOWN CLERK HOLLY DOWD

THE AGREEMENT IS DATED THIS 21st DAY OF SEPTEMBER 2015

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

Callable Instalment Loan criteria:

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

Covenants

Good Standing:

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

Regulatory Compliance:

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

Notice of Litigation and Demand and Default:

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

Payments:

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


Insurance:

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

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


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

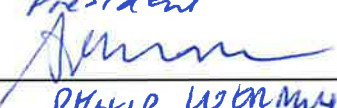
By: 
Name: Pat Darte
Title: Lord Mayor

By: 
Name: Holly Dowd
Title: Town Clerk

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

NIAGARA-ON-THE-LAKE HYDRO INC.

By: 
Name: Timothy B. Corbis
Title: President

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

Niagara-on-the-Lake Hydro Inc

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

Repayment Schedule

Interest rate and monthly payment 3.00% 19312.23

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

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