

EPCOR Natural Gas Limited Partnership

Cost of Service Application
EB-2024-0130
July 18, 2024

Exhibit 5 – Cost of Capital and Capital Structure

PROVIDING MORE





Contents

5.0	Cost of Capital and Capital Structure.....	3
5.1	Cost of Capital (Return on Equity and Cost of Debt).....	3
5.2	Capital Structure.....	8



1 **5.0 Cost of Capital and Capital Structure**

2 In this Exhibit, ENGLP presents evidence regarding capital structure, debt financing and the
 3 calculation of its return on equity for the 2025 Test Year.

5 **5.1 Cost of Capital (Return on Equity and Cost of Debt)**

6 ENGLP seeks to recover a weighted average cost of capital (“WACC”) of 6.10% through rates in
 7 the 2025 Test Year. The utility has followed the “Report of the Board on Cost of Capital for
 8 Ontario’s Regulated Utilities” (December 11, 2009), as well as the “Review of the Existing
 9 Methodology of the Cost of Capital for Ontario’s Regulated Utilities” (January 14, 2016) in
 10 determining the applicable cost of capital.

11 **Table 5.1-1**
 12 **2025 Cost of Capital**
 13

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$14,910,872	3.87%	\$577,471
2	Short-term Debt	4.00% (1)	\$1,065,062	6.23%	\$66,353
3	Total Debt	60.0%	\$15,975,935	4.03%	\$643,825
	Equity				
4	Common Equity	40.00%	\$10,650,623	9.21%	\$980,922
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.0%	\$10,650,623	9.21%	\$980,922
7	Total	100.0%	\$26,626,558	6.10%	\$1,624,747

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15 In comparison, ENGLP’s previously approved WACC in EB-2018-0334 was 5.86%.

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**Table 5.1-2
2020 Approved Cost of Capital**

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$8,978,194	3.84%	\$344,763
2	Short-term Debt	4.00%	\$641,300	2.82%	\$18,085
3	Total Debt	60.0%	\$9,619,493	3.77%	\$362,847
	Equity				
4	Common Equity	40.00%	\$6,412,996	8.98%	\$575,887
5	Preferred Shares	0.00%	\$ -		\$ -
6	Total Equity	40.0%	\$6,412,996	8.98%	\$575,887
7	Total	100.0%	\$16,032,489	5.86%	\$938,734

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4 Cost of Equity

5 For the purposes of preparing this Application, ENGLP has used the cost of capital parameters
 6 issued by the OEB on October 31, 2023, which reflects a return on equity of 9.21%. If appropriate,
 7 ENGLP will update the return on equity to reflect future OEB-issued cost of capital parameters for
 8 cost of service rate applications with rates that have effective dates in 2025 prior to the issuance
 9 of the OEB's decision for this Application.

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**Table 5.1-3
Cost of Equity**

		A 2024 B	B 2025 T
1	Mid-year Rate Base	\$24,181,455	\$26,626,558
2	Equity % in Rate Base	40.00%	40.00%
3	Mid-year Equity Balance	\$9,672,582	\$10,650,623
4	Cost of Equity	9.21%	9.21%
5	Cost of Equity	\$890,845	\$980,922

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1 **Short-Term Cost of Debt**

2 For the purposes of preparing this Application, ENGLP has used the cost of capital parameters
 3 issued by the OEB on October 31, 2023, which reflects a return on short term debt of 6.23%.
 4 Short-term debt is typically used by ENGLP to finance capital projects and to fund any other short-
 5 term needs of the utility. ENGLP will borrow all future short-term debt requirements from its parent
 6 company EPCOR Utilities Inc. (“EUI”). Short-term debt is typically refinanced the following year
 7 with a combination of cash, equity and long-term debt that maintains a capital structure as close
 8 to the approved capital structure as possible.

9 If appropriate, ENGLP will update the return on short-term debt to reflect future OEB-issued cost
 10 of capital parameters for cost of service rate applications with rates that have effective dates in
 11 2025 prior to the issuance of the OEB’s decision for this Application.

12 **Table 5.1-4**
 13 **Short-Term Debt**

		A	B
		2024 B	2025 T
1	Mid-year Rate Base	\$24,181,455	\$26,626,558
2	ST Debt % in Rate Base	4.00%	4.00%
3	Mid-year ST Debt Balance	\$967,258	\$1,065,062
4	ST Debt Interest Rate	6.23%	6.23%
5	Cost of ST Debt	\$60,260	\$66,353

14

15 **Long-Term Cost of Debt**

16 The capital requirements of the business, as described in Exhibit 2, will be financed in part with
 17 long-term debt sourced from EUI. The cost of new long-term debt issuances in this Application is
 18 4.58% which is consistent with the OEB’s Cost of Capital Parameters issued on October 31, 2023.
 19 If appropriate, ENGLP will update the cost of long-term debt to reflect future OEB-issued cost of
 20 capital parameters for cost of service rate applications with rates that have effective dates in 2025
 21 prior to the issuance of the OEB’s decision for this Application.

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1 **Historical Debt**

2 The majority of ENGLP’s long-term debt cost relates to a November 29, 2017 issuance, where
 3 ENGLP borrowed \$8.66 million from its parent company, EUI, a copy of which is included in
 4 Exhibit 5, Tab 2, Schedule 1. The term of this note is 30 years with an interest rate of 3.83%. The
 5 derivation of the interest rate is as follows:

6 The credit spread of 1.55% is based on market rates observed in November 2017. ENGLP’s credit
 7 spread is based on a top-down internal credit analysis conducted by EPCOR’s Treasury group
 8 and is consistent with the process undertaken for all subsidiaries. The analysis considered many
 9 items including qualitative factors, such as business and industry risk as well as quantitative
 10 factors such as financial and liquidity risk.

11
 12 ENGLP has completed two additional debt issuances in 2021 and 2023 for \$2.5 million and \$1
 13 million respectively. Similar to the initial debit issuances, this was provided by EUI as affiliate
 14 debt and the interest rate on the debt was derived in the same manner as described above for
 15 the \$8.66 million debt issuance. A copy of each can also be found in Exhibit 5, Tab 1, Schedules
 16 2-4..

17
 18 **Table 5.1-5**
 19 **Current Debt**

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹
1	Promissory Note	EPCOR Utilities Inc.	Affiliated	Fixed Rate	29-Nov-17	30	\$ 8,660,000	3.72%	\$322,152.00
2	Promissory Note	EPCOR Utilities Inc.	Affiliated	Fixed Rate	15-Dec-21	30	\$ 2,500,000	3.41%	\$ 85,250.00
3	Promissory Note	EPCOR Utilities Inc.	Affiliated	Fixed Rate	4-Dec-23	30	\$ 1,000,000	4.88%	\$ 48,800.00
Total							\$12,160,000	3.75%	\$456,202.00

20

21 **Forecasted Debt**

22 ENGLP expects debt issuances of \$2 million in the 2024 Bridge Year and \$1 million in the 2025
 23 Test Year. When combined with the existing debt above, the weighted average cost of long-term
 24 debt in 2025 is estimated to be 3.87%. This is shown in Table 5.1-6 below:

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**Table 5.1-6
 Weighted Average Cost of Long-Term Debt**

Row	Description	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹
1	Promissory Note	Affiliated	Fixed Rate	29-Nov-17	30	\$ 8,660,000	3.72%	\$322,152.00
2	Promissory Note	Affiliated	Fixed Rate	15-Dec-21	30	\$ 2,500,000	3.41%	\$ 85,250.00
3	Promissory Note	Affiliated	Fixed Rate	4-Dec-23	30	\$ 1,000,000	4.88%	\$ 48,800.00
4	Promissory Note	Affiliated	Fixed Rate	1-Dec-24	30	\$ 2,000,000	4.58%	\$ 91,600.00
5	Promissory Note	Affiliated	Fixed Rate	1-Dec-25	30	\$ 1,000,000	4.58%	\$ 3,816.67
Total						\$15,160,000		\$551,618.67

4

Less: pro-rated principal for 2025	\$ (916,667)		
True cost of debt	\$14,243,333	3.87%	\$ 551,619

5

Affiliate Debt – OEB Cost of Capital Proceeding

6

7
 8 In March of 2024, the OEB commenced a hearing on its own motion to consider the methodology
 9 for determining the values of the cost of capital parameters and deemed capital structure to be
 10 used to set rates for electricity transmitters, electricity distributors, natural gas utilities, and Ontario
 11 Power Generation Inc. (EB-2024-0063).

12

13 The issues list of this hearing covers various topics related to the determination of debt and capital
 14 rates and methodologies. As a registered participant in this hearing, ENGLP intends to provide
 15 commentary in response to the limiting of affiliate debt to the maximum ceiling of the OEB's
 16 published long-term debt rate at the time of issuances, as it believes this methodology does not
 17 provide for the true cost of debt to the utility and unfairly penalizes utilities that issue debt at arm's
 18 length rates to affiliate entities by arbitrarily capping the long-term rate at a point in time.

19

20 In Table 5.1-6 and for the purposes of this application, ENGLP has complied with the OEB's
 21 existing policy regarding affiliate debt where it states¹:

¹ Report of the Board on the Cost of Capital for Ontario's Regulated Utilities (EB-2009-0084), December 11, 2009, page 53

1 For affiliate debt (i.e., debt held by an affiliated party as defined by the Ontario
 2 Business Corporations Act, 1990) with a fixed rate, the deemed long-term debt
 3 rate at the time of issuance will be used as a ceiling on the rate allowed for that
 4 debt.

5
 6 ENGLP’s true cost of long-term debt, without this limitation would be 4.07%.

7
 8 **Table 5.1-7**
 9 **Weighted Average Cost of Long-Term Debt**
 10

Row	Description	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹
1	Promissory Note	Affiliated	Fixed Rate	29-Nov-17	30	\$ 8,660,000	3.83%	\$331,678
2	Promissory Note	Affiliated	Fixed Rate	15-Dec-21	30	\$ 2,500,000	3.41%	\$85,250
3	Promissory Note	Affiliated	Fixed Rate	4-Dec-23	30	\$ 1,000,000	5.04%	\$50,400
4	Promissory Note	Affiliated	Fixed Rate	1-Dec-24	30	\$ 2,000,000	5.42%	\$108,400
5	Promissory Note	Affiliated	Fixed Rate	1-Dec-25	30	\$ 1,000,000	5.27%	\$4,392
Total						\$15,160,000	3.83%	\$580,119.67

11

Less: pro-rated principal for 2025	\$ (916,667)	
True cost of debt	\$14,243,333	4.07%
		\$ 580,120

12
 13 Should the OEB’s generic hearing provide additional guidance on this topic, ENGLP requests the
 14 ability to update its long-term debt rate accordingly to reflect the true cost of debt for the utility.

15
 16 **5.2 Capital Structure**

17 ENGLP is not proposing any deviations from the previously approved deemed capital structure of
 18 40% equity, 56% long-term debt, and 4% short term debt. There have been no material deviation
 19 in the financing of rate base assets as it relates to this capital structure in comparison to the
 20 previous application.

21 Since acquiring the assets in November 2017, ENGLP has no preferred shares, has not retired
 22 any long-term debt, nor has it initiated any buy-back of units. ENGLP’s historical and forecast
 23 capital structure and WACC components are included in the following table.



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**Table 5.2-1
 Historical and Forecasted Capital Structure**

		A 2020T	B 2020A	C 2021A	D 2022A	E 2023A	F 2024B*	G 2025T*
1	Approved Capital Structure							
2	Short-Term Debt	4%	4%	4%	4%	4%	4%	4%
3	Long-Term Debt	56%	56%	56%	56%	56%	56%	56%
4	Equity	40%	40%	40%	40%	40%	40%	40%
5	Actual Capital Structure							
6	Short-Term Debt	4%	11%	0%	5%	5%	4%	4%
7	Long-Term Debt	56%	50%	61%	57%	55%	56%	56%
8	Equity	40%	39%	39%	37%	40%	40%	40%
9	Capitalization							
10	Short-Term Debt	\$641,300	\$1,986,740	\$2,642	\$1,023,740	\$996,360	\$967,258	\$1,065,062
11	Long-Term Debt	\$8,978,194	\$8,660,000	\$11,160,000	\$11,160,000	\$12,160,000	\$13,541,615	\$14,910,872
12	Equity	\$6,412,996	\$6,727,669	\$7,079,552	\$7,273,352	8,841,476	\$9,672,582	\$10,650,623
13	Total Capitalization	\$16,032,489	\$17,374,409	\$18,242,193	\$19,457,093	\$21,997,836	\$24,181,455	\$26,626,558
14	Realized ROE	8.98%	5.23%	6.90%	7.80%	8.45%	9.21%	9.21%
15	Cost of Debt	3.77%	3.22%	3.46%	3.61%	3.69%	3.92%	4.03%

3

4 *2024B and 2025T are calculated using mid-year rate base, 2024 OEB deemed rates for Short-Term Debt and Equity along with the expected long term debt rate
 5 (3.76% for 2024B and 3.87% for 2025T)

6 **USoA Accounts used in calculation for 2020-2023:**

- 7 • Short-Term Debt – 120
- 8 • Long-Term Debt – 248
- 9 • Equity – 200/212
- 10 • Cost of Debt – 322/323
- 11 • Realized ROE – Sum of 300 level accounts

EPCOR Natural Gas Limited Partnership

PROMISSORY NOTE

To be Dated November 29, 2017

To Mature November 29, 2047

FOR VALUE RECEIVED the undersigned, EPCOR NATURAL GAS Limited Partnership, an Ontario limited partnership, (the “**Borrower**”) hereby promises to pay to the order of EPCOR Utilities Inc. (the “**Lender**”) at the City of Edmonton, Alberta, the Principal Sum, such Principal Sum to be payable per attached Schedule A. tomorrow

1. Loan

The Borrower and the Lender acknowledge that this promissory note (this “**Note**”) is being executed and delivered by the Borrower in favour of the Lender.

2. Use of Proceeds

The net proceeds will be used for general corporate purposes.

3. Principal Sum

For the purposes hereof “Principal Sum” shall mean the sum of \$8,660,000.00 in the lawful money of Canada (Canadian EIGHT MILLION SIX HUNDRED AND SIXTY THOUSAND AND ZERO CENTS).

4. Term and Maturity

The term of the loan is 30 years with final maturity date of November 29, 2047.

5. Repayment

The Borrower agrees to repay the Principal Sum in accordance with Schedule A.

6. Prepayment

The Borrower may, upon five (5) business days’ written notice to the Lender, prepay all or any part of the Principal Sum outstanding at the greater of the Canada Yield Price and the Principal Sum, whichever the Lender determines, together with accrued and unpaid interest to the date of prepayment. “Canada Yield Price”, for the purposes of this Note, means the price, equal to the net present value of all scheduled payments of interest (other than accrued and unpaid interest) and principal, using as a discount rate the sum of the Canada Yield and 50 basis points. “Canada Yield”, for the purposes of this Note, means, on any date, the arithmetic average (rounded to the nearest 1/100 of 1%) of the respective percentages determined by two Reference Dealers to be the yield to maturity, determined on such date in accordance with generally accepted financial practice, assuming semi-annual compounding, which a non-callable Government of Canada Bond would carry if issued, in Canadian dollars in Canada at 100% of its principal amount, on such date with a term to maturity approximately equal to the remaining term to maturity of this Note. A “Reference Dealer”, for the purposes of this Note, means any nationally recognized Canadian investment dealer selected by the Lender.

7. Interest

The Borrower agrees to pay interest at the rate of 3.83% per annum and payable semi-annually and in arrears, on May 29 and November 29 of each year commencing on May 29, 2018, in accordance with Schedule A. Upon default in payment of any payment when due hereunder, in addition to any other remedy of the Lender, the undersigned covenants to pay interest on the entire unpaid balance of the principal amount and accrued interest and on subsequent overdue interest at the rate aforesaid, both before and after judgment, until paid in full.

8. Representation and Warranties of the Borrower

The Borrower represents and warrants:

- a) it is a corporation incorporated under the laws of Ontario, and that it is duly registered or qualified to carry on business in all jurisdictions where the nature of its properties, assets or its business makes such registration or qualification necessary;
- b) the execution and delivery of this Note have been duly authorized by all necessary actions and does not (i) violate any law, regulation or rule by which it is bound, (ii) violate any provision of its constituting documents, by-laws or any unanimous shareholder agreement to which it is subject or (iii) result in a breach of, a default under, or the creation of any encumbrance on its properties and assets or under any agreement or instrument to which it is a party or by which it or any of its properties and assets may be bound or affected; and
- c) no event has occurred which constitutes, or which with giving of notice, lapse of time or other condition would constitute, a default having a material adverse effect on its financial condition under or in respect of any agreement, undertaking or instrument to which it or any of its properties or assets may be subject.

9. Covenants of the Borrower

- a) *Payment of Obligations.* The Borrower will duly and punctually pay all sums of money due and payable by it under this Note.
- b) *Maintenance of Existence.* The Borrower will take such action to preserve and maintain its existence and all of the material rights, qualifications, authorizations, privileges, licenses and franchises which are necessary in the normal conduct of its business, except where the failure to preserve and maintain such rights, qualifications, authorizations, privileges, licenses and franchises would not have a material adverse effect on the Borrower.
- c) *Other Information.* The Borrower will promptly provide to the Lender all information regarding the financial condition, business, property and operations of the Borrower that the Lender may reasonably request from time to time.
- d) *Records Access.* The Borrower will keep proper and adequate records and books of account in which true and complete entries are made in accordance with generally accepted accounting principles applied on a consistent basis, and upon reasonable notice, the Borrower will permit representatives of the Lender to examine, copy, make abstracts and audit relevant portions of its books, accounts and records, in each case, at the Borrower's expense.

- e) *Compliance with Constating Documents and Law.* The Borrower will comply at all times and in all respects with its constating documents and by-laws and with all applicable laws and environmental standards, except where the failure to so comply with such Applicable Law would not have material adverse effect on the Borrower.
- f) *Payment of Taxes.* The Borrower will pay all taxes, rates and assessments, government charges or levies lawfully levied, assessed or imposed upon the Borrower or upon its properties or any part thereof, as and when the same become due and payable, except to the extent and for so long as the Borrower shall contest in good faith its obligation to do so, provided that in such case the Borrower shall satisfy the Lender that any such contestation will involve no forfeiture of any material part of the assets of the Borrower and that it will exhibit to the Lender, when required, the receipts and vouchers establishing such payment.
- g) *Notice of Default.* The Borrower will, upon obtaining knowledge thereof, provide prompt notice in writing to the Lender of any default of any of its obligations under this Note.
- h) *Notice of Litigation.* The Borrower will provide the Lender with prompt notice in writing of any action, suit, litigation or other proceeding which is commenced or, to the knowledge of any senior officer of the Borrower after due inquiry, threatened against the Borrower which would have a material adverse effect on the financial condition of the Borrower.

10. **Waiver of Demand, etc.**

The Borrower hereby waives presentment, demand, protest and notice of any kind in connection with the delivery, acceptance, performance and enforcement of the Note.

11. **Default**

This Note shall become and be due and payable as hereafter provided if any one or more of the following events (herein called “**Events of Default**”) shall have occurred and be continuing:

- (a) if default shall be made in the due and punctual payment of the principal or interest of this Note when and as the same shall become due and payable whether at the maturity hereof, by acceleration or otherwise, and such default shall have continued unremedied for a period of fourteen (14) days after written notice thereof has been given to the Borrower by the Lender;
- (b) if default shall be made in the performance or observance of any of the covenants, agreements or conditions contained in the Note and the default shall have continued unremedied for a period of thirty (30) days after written notice thereof has been given to the Borrower by the Lender;
- (c) if the Borrower defaults under any debt in excess of \$1,000,000 and as a result of which all such debt becomes due and payable immediately, or the creditor is entitled to exercise any remedies against the Borrower;
- (d) if the Borrower shall admit in writing its inability to pay its debts generally as they become due; file a petition in bankruptcy or a petition to take advantage of any insolvency act; make an assignment for the benefit of its creditors; consent to the appointment of a receiver of itself or of the whole or any substantial part of its property; on a petition in bankruptcy filed against it; or file a petition or answer seeking reorganization or arrangement under Canadian bankruptcy laws;

Schedule A - Payment Schedule for Promissory Note to EPCOR Utilities Inc.

issued by

EPCOR Natural Gas Limited Partnership, by its general partner, EPCOR Ontario Utilities Inc.

Cdn.\$8.66 Million 30 Year Note @ 3.83% Due Nov 29, 2047

<u>Date</u>	<u>Opening Principal</u>	<u>Interest Rate</u>	<u>Total Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Closing Principal</u>
29-Nov-17	8,660,000	3.83%	-	-	-	8,660,000
29-May-18	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-Nov-18	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-May-19	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-Nov-19	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-May-20	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-Nov-20	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-May-21	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-Nov-21	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-May-22	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-Nov-22	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-May-23	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-Nov-23	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-May-24	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-Nov-24	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-May-25	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-Nov-25	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-May-26	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-Nov-26	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-May-27	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-Nov-27	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-May-28	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-Nov-28	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-May-29	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-Nov-29	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-May-30	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-Nov-30	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000
29-May-31	8,660,000	3.83%	(165,839)	-	(165,839)	8,660,000

EPCOR Natural Gas Limited Partnership

PROMISSORY NOTE

To be Dated December 15, 2021

To Mature December 15, 2051

FOR VALUE RECEIVED the undersigned, EPCOR NATURAL GAS Limited Partnership, an Ontario limited partnership, (the “**Borrower**”) hereby promises to pay to the order of EPCOR Utilities Inc. (the “**Lender**”) at the City of Edmonton, Alberta, the Principal Sum, such Principal Sum to be payable per attached Schedule A.

1. **Loan**

The Borrower and the Lender acknowledge that this promissory note (this “**Note**”) is being executed and delivered by the Borrower in favour of the Lender.

2. **Use of Proceeds**

The net proceeds will be used for general corporate purposes.

3. **Principal Sum**

For the purposes hereof “Principal Sum” shall mean the sum of \$2,500,000.00 in the lawful money of Canada (Canadian TWO MILLION, FIVE HUNDRED THOUSAND DOLLARS AND ZERO CENTS).

4. **Term and Maturity**

The term of the loan is 30 years with final maturity date of December 15, 2051.

5. **Repayment**

The Borrower agrees to repay the Principal Sum in accordance with Schedule A.

6. **Prepayment**

The Borrower may, upon five (5) business days’ written notice to the Lender, prepay all or any part of the Principal Sum outstanding at the greater of the Canada Yield Price and the Principal Sum, whichever the Lender determines, together with accrued and unpaid interest to the date of prepayment. “Canada Yield Price”, for the purposes of this Note, means the price, equal to the net present value of all scheduled payments of interest (other than accrued and unpaid interest) and principal, using as a discount rate the sum of the Canada Yield and 50 basis points. “Canada Yield”, for the purposes of this Note, means, on any date, the arithmetic average (rounded to the nearest 1/100 of 1%) of the respective percentages determined by two Reference Dealers to be the yield to maturity, determined on such date in accordance with generally accepted financial practice, assuming semi-annual compounding, which a non-callable Government of Canada Bond would carry if issued, in Canadian dollars in Canada at 100% of its principal amount, on such date with a term to maturity approximately equal to the remaining term to maturity of this Note. A “Reference Dealer”, for the purposes of this Note, means any nationally recognized Canadian investment dealer selected by the Lender.

7. Interest

The Borrower agrees to pay interest at the rate of 3.41% per annum and payable semi-annually and in arrears, on June 15 and December 15 of each year commencing on June 15, 2022, in accordance with Schedule A. Upon default in payment of any payment when due hereunder, in addition to any other remedy of the Lender, the undersigned covenants to pay interest on the entire unpaid balance of the principal amount and accrued interest and on subsequent overdue interest at the rate aforesaid, both before and after judgment, until paid in full.

8. Representation and Warranties of the Borrower

The Borrower represents and warrants:

- a) it is a corporation incorporated under the laws of Ontario, and that it is duly registered or qualified to carry on business in all jurisdictions where the nature of its properties, assets or its business makes such registration or qualification necessary;
- b) the execution and delivery of this Note have been duly authorized by all necessary actions and does not (i) violate any law, regulation or rule by which it is bound, (ii) violate any provision of its constating documents, by-laws or any unanimous shareholder agreement to which it is subject or (iii) result in a breach of, a default under, or the creation of any encumbrance on its properties and assets or under any agreement or instrument to which it is a party or by which it or any of its properties and assets may be bound or affected; and
- c) no event has occurred which constitutes, or which with giving of notice, lapse of time or other condition would constitute, a default having a material adverse effect on its financial condition under or in respect of any agreement, undertaking or instrument to which it or any of its properties or assets may be subject.

9. Covenants of the Borrower

- a) *Payment of Obligations.* The Borrower will duly and punctually pay all sums of money due and payable by it under this Note.
- b) *Maintenance of Existence.* The Borrower will take such action to preserve and maintain its existence and all of the material rights, qualifications, authorizations, privileges, licenses and franchises which are necessary in the normal conduct of its business, except where the failure to preserve and maintain such rights, qualifications, authorizations, privileges, licenses and franchises would not have a material adverse effect on the Borrower.
- c) *Other Information.* The Borrower will promptly provide to the Lender all information regarding the financial condition, business, property and operations of the Borrower that the Lender may reasonably request from time to time.
- d) *Records Access.* The Borrower will keep proper and adequate records and books of account in which true and complete entries are made in accordance with generally accepted accounting principles applied on a consistent basis, and upon reasonable notice, the Borrower will permit representatives of the Lender to examine, copy, make abstracts and audit relevant portions of its books, accounts and records, in each case, at the Borrower's expense.
- e) *Compliance with Constating Documents and Law.* The Borrower will comply at all times and in all respects with its constating documents and by-laws and with all applicable laws and environmental standards, except

where the failure to so comply with such Applicable Law would not have material adverse effect on the Borrower.

- f) *Payment of Taxes.* The Borrower will pay all taxes, rates and assessments, government charges or levies lawfully levied, assessed or imposed upon the Borrower or upon its properties or any part thereof, as and when the same become due and payable, except to the extent and for so long as the Borrower shall contest in good faith its obligation to do so, provided that in such case the Borrower shall satisfy the Lender that any such contestation will involve no forfeiture of any material part of the assets of the Borrower and that it will exhibit to the Lender, when required, the receipts and vouchers establishing such payment.
- g) *Notice of Default.* The Borrower will, upon obtaining knowledge thereof, provide prompt notice in writing to the Lender of any default of any of its obligations under this Note.
- h) *Notice of Litigation.* The Borrower will provide the Lender with prompt notice in writing of any action, suit, litigation or other proceeding which is commenced or, to the knowledge of any senior officer of the Borrower after due inquiry, threatened against the Borrower which would have a material adverse effect on the financial condition of the Borrower.

10. **Waiver of Demand, etc.**

The Borrower hereby waives presentment, demand, protest and notice of any kind in connection with the delivery, acceptance, performance and enforcement of the Note.

11. **Default**

This Note shall become and be due and payable as hereafter provided if any one or more of the following events (herein called “**Events of Default**”) shall have occurred and be continuing:

- (a) if default shall be made in the due and punctual payment of the principal or interest of this Note when and as the same shall become due and payable whether at the maturity hereof, by acceleration or otherwise, and such default shall have continued unremedied for a period of fourteen (14) days after written notice thereof has been given to the Borrower by the Lender;
- (b) if default shall be made in the performance or observance of any of the covenants, agreements or conditions contained in the Note and the default shall have continued unremedied for a period of thirty (30) days after written notice thereof has been given to the Borrower by the Lender;
- (c) if the Borrower defaults under any debt in excess of \$1,000,000 and as a result of which all such debt becomes due and payable immediately, or the creditor is entitled to exercise any remedies against the Borrower;
- (d) if the Borrower shall admit in writing its inability to pay its debts generally as they become due; file a petition in bankruptcy or a petition to take advantage of any insolvency act; make an assignment for the benefit of its creditors; consent to the appointment of a receiver of itself or of the whole or any substantial part of its property; on a petition in bankruptcy filed against it; or file a petition or answer seeking reorganization or arrangement under Canadian bankruptcy laws;
- (e) if a court of competent jurisdiction shall enter an order, judgement or decree appointing without consent of the Borrower, a receiver of the Borrower or of the whole or any substantial part of the property of the Borrower or approving a petition filed against the Borrower or seeking reorganization or arrangement of the

Borrower under any applicable law or statute of Canada or any province thereof, and the order, judgement or decree shall not be vacated or set aside or stayed with thirty (30) days from the date of the entry thereof;

- (f) if under the provisions of any other law for the relief or aid of debtors, and court of competent jurisdiction shall assume custody and control of the Borrower or of the whole or any substantial part of the property of the Borrower and custody or control shall not be terminated or stayed within thirty (30) days from the date of assumption of custody or control; or
- (g) if there is a change in ownership of the Borrower.

The Principal Sum and all interest accrued and remaining outstanding at the time of such Event of Default, upon notice in writing given by the Lender to the Borrower, shall immediately become due and payable by the Borrower to the Lender, provided that such acceleration of the indebtedness of the Borrower to the Lender with respect the Event of Default listed in item (d) shall be effective immediately upon the occurrence of such Event of Default without the necessity of such notice being such by the Lender to the Borrower. The Lender may proceed to protect and enforce its right either by suit in equity and/or by action and law, whether for the specific performance of any covenant or agreement contained in this Note or in Aid of the exercise of any power granted in the Note, or proceed to enforce the payment of this Note or to enforce any other legal or equitable rights of the Lender.

12. Notices

All notices and demands provided for herein shall be in writing and shall be personally delivered or mailed by prepaid registered mail to the Borrower at 2000, 10423 101 Street, Edmonton, Alberta, T5H 0E8 or to such other address as either party may from time to time designate to the other party by notice in the aforesaid manner. Any notice or demand so personally delivered shall be deemed to have been validly and effectively given and received on the date of such delivery. Any notice or demand so mailed shall be deemed to have been validly and effectively given and received on the fifth day following the date of mailing.

13. Assignment

Neither the Borrower nor the Lender may assign any of their respective rights or obligations hereunder without the prior written consent of the Borrower (in the case of any assignment by the Lender) or the Lender (in the case of any assignment by the Borrower).

In addition, the Lender acknowledges that the Borrower may be amalgamated (any such amalgamated company being herein called "Amalco"). Upon such amalgamation Amalco shall possess, and be subject to, all rights, privileges, liabilities and obligations of the Borrower hereunder and all references to the Borrower shall be deemed to refer to "Amalco".

14. Governing Law

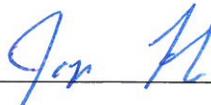
This Note shall be construed, interpreted and enforced in accordance with, and the rights and obligations of the parties shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein and each party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom.

The undersigned agrees to the foregoing terms. DATED and executed as of the 21st day of December 2021.

EPCOR Natural Gas Limited Partnership, by its general partner, EPCOR
Ontario Utilities Inc.

Per:  _____

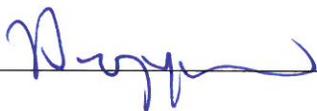
John Elford
Senior Vice President, Commercial Services

Per:  _____

Jacyn Koski
Treasurer and Commercial Services Controller

The undersigned agrees to the foregoing terms. DATED and executed as of the 21st day of December 2021.

EPCOR UTILITIES INC.

Per:  _____

Tony Scozzafava
Senior Vice President, Finance & Chief Financial Officer

Per:  _____

Jacyn Koski
Treasurer and Commercial Services Controller

Schedule A - Payment Schedule for Promissory Note to EPCOR Utilities Inc.

issued by

EPCOR Natural Gas LP

Cdn. \$2.5 Million 30 Year Note @ 3.41% Due December 15, 2051

<u>Date</u>	<u>Opening Principal</u>	<u>Interest Rate</u>	<u>Total Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Closing Principal</u>
15-Dec-21	2,500,000	3.41%	-		-	2,500,000
15-Jun-22	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-22	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-23	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-23	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-24	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-24	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-25	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-25	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-26	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-26	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-27	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-27	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-28	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-28	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-29	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-29	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-30	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-30	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-31	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-31	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-32	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-32	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-33	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-33	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-34	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-34	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-35	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-35	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-36	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-36	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Jun-37	2,500,000	3.41%	(42,625)		(42,625)	2,500,000
15-Dec-37	2,500,000	3.41%	(42,625)		(42,625)	2,500,000

15-Jun-38	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-38	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Jun-39	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-39	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Jun-40	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-40	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Jun-41	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-41	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Jun-42	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-42	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Jun-43	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-43	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Jun-44	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-44	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Jun-45	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-45	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Jun-46	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-46	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Jun-47	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-47	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Jun-48	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-48	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Jun-49	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-49	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Jun-50	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-50	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Jun-51	2,500,000	3.41%	(42,625)	(42,625)	2,500,000
15-Dec-51	2,500,000	3.41%	(2,542,625)	(2,500,000)	-
Total Paid			(5,057,500)	(2,500,000)	(2,557,500)
					-

EPCOR Natural Gas Limited Partnership

PROMISSORY NOTE

To be Dated December 4, 2023

To Mature December 4, 2053

FOR VALUE RECEIVED the undersigned, EPCOR NATURAL GAS Limited Partnership, an Ontario limited partnership, (the “**Borrower**”) hereby promises to pay to the order of EPCOR Utilities Inc. (the “**Lender**”) at the City of Edmonton, Alberta, the Principal Sum, such Principal Sum to be payable per attached Schedule A.

1. **Loan**

The Borrower and the Lender acknowledge that this promissory note (this “**Note**”) is being executed and delivered by the Borrower in favour of the Lender.

2. **Use of Proceeds**

The net proceeds will be used for general corporate purposes.

3. **Principal Sum**

For the purposes hereof “Principal Sum” shall mean the sum of \$1,000,000.00 in the lawful money of Canada (Canadian ONE MILLION DOLLARS AND ZERO CENTS).

4. **Term and Maturity**

The term of the loan is 30 years with final maturity date of December 4, 2053.

5. **Repayment**

The Borrower agrees to repay the Principal Sum in accordance with Schedule A.

6. **Prepayment**

The Borrower may, upon five (5) business days’ written notice to the Lender, prepay all or any part of the Principal Sum outstanding at the greater of the Canada Yield Price and the Principal Sum, whichever the Lender determines, together with accrued and unpaid interest to the date of prepayment. “Canada Yield Price”, for the purposes of this Note, means the price, equal to the net present value of all scheduled payments of interest (other than accrued and unpaid interest) and principal, using as a discount rate the sum of the Canada Yield and 50 basis points. “Canada Yield”, for the purposes of this Note, means, on any date, the arithmetic average (rounded to the nearest 1/100 of 1%) of the respective percentages determined by two Reference Dealers to be the yield to maturity, determined on such date in accordance with generally accepted financial practice, assuming semi-annual compounding, which a non-callable Government of Canada Bond would carry if issued, in Canadian dollars in Canada at 100% of its principal amount, on such date with a term to maturity approximately equal to the remaining term to maturity of this Note. A “Reference Dealer”, for the purposes of this Note, means any nationally recognized Canadian investment dealer selected by the Lender.

7. Interest

The Borrower agrees to pay interest at the rate of 5.04% per annum and payable semi-annually and in arrears, on June 4th and December 4th of each year commencing on June 4, 2024, in accordance with Schedule A. Upon default in payment of any payment when due hereunder, in addition to any other remedy of the Lender, the undersigned covenants to pay interest on the entire unpaid balance of the principal amount and accrued interest and on subsequent overdue interest at the rate aforesaid, both before and after judgment, until paid in full.

8. Representation and Warranties of the Borrower

The Borrower represents and warrants:

- a) it is a corporation incorporated under the laws of Ontario, and that it is duly registered or qualified to carry on business in all jurisdictions where the nature of its properties, assets or its business makes such registration or qualification necessary;
- b) the execution and delivery of this Note have been duly authorized by all necessary actions and does not (i) violate any law, regulation or rule by which it is bound, (ii) violate any provision of its constating documents, by-laws or any unanimous shareholder agreement to which it is subject or (iii) result in a breach of, a default under, or the creation of any encumbrance on its properties and assets or under any agreement or instrument to which it is a party or by which it or any of its properties and assets may be bound or affected; and
- c) no event has occurred which constitutes, or which with giving of notice, lapse of time or other condition would constitute, a default having a material adverse effect on its financial condition under or in respect of any agreement, undertaking or instrument to which it or any of its properties or assets may be subject.

9. Covenants of the Borrower

- a) *Payment of Obligations.* The Borrower will duly and punctually pay all sums of money due and payable by it under this Note.
- b) *Maintenance of Existence.* The Borrower will take such action to preserve and maintain its existence and all of the material rights, qualifications, authorizations, privileges, licenses and franchises which are necessary in the normal conduct of its business, except where the failure to preserve and maintain such rights, qualifications, authorizations, privileges, licenses and franchises would not have a material adverse effect on the Borrower.
- c) *Other Information.* The Borrower will promptly provide to the Lender all information regarding the financial condition, business, property and operations of the Borrower that the Lender may reasonably request from time to time.
- d) *Records Access.* The Borrower will keep proper and adequate records and books of account in which true and complete entries are made in accordance with generally accepted accounting principles applied on a consistent basis, and upon reasonable notice, the Borrower will permit representatives of the Lender to examine, copy, make abstracts and audit relevant portions of its books, accounts and records, in each case, at the Borrower's expense.
- e) *Compliance with Constating Documents and Law.* The Borrower will comply at all times and in all respects with its constating documents and by-laws and with all applicable laws and environmental standards, except

where the failure to so comply with such Applicable Law would not have material adverse effect on the Borrower.

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- g) *Notice of Default.* The Borrower will, upon obtaining knowledge thereof, provide prompt notice in writing to the Lender of any default of any of its obligations under this Note.
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10. **Waiver of Demand, etc.**

The Borrower hereby waives presentment, demand, protest and notice of any kind in connection with the delivery, acceptance, performance and enforcement of the Note.

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This Note shall become and be due and payable as hereafter provided if any one or more of the following events (herein called “**Events of Default**”) shall have occurred and be continuing:

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- (e) if a court of competent jurisdiction shall enter an order, judgement or decree appointing without consent of the Borrower, a receiver of the Borrower or of the whole or any substantial part of the property of the Borrower or approving a petition filed against the Borrower or seeking reorganization or arrangement of the

Borrower under any applicable law or statute of Canada or any province thereof, and the order, judgement or decree shall not be vacated or set aside or stayed with thirty (30) days from the date of the entry thereof;

- (f) if under the provisions of any other law for the relief or aid of debtors, and court of competent jurisdiction shall assume custody and control of the Borrower or of the whole or any substantial part of the property of the Borrower and custody or control shall not be terminated or stayed within thirty (30) days from the date of assumption of custody or control; or
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The Principal Sum and all interest accrued and remaining outstanding at the time of such Event of Default, upon notice in writing given by the Lender to the Borrower, shall immediately become due and payable by the Borrower to the Lender, provided that such acceleration of the indebtedness of the Borrower to the Lender with respect the Event of Default listed in item (d) shall be effective immediately upon the occurrence of such Event of Default without the necessity of such notice being such by the Lender to the Borrower. The Lender may proceed to protect and enforce its right either by suit in equity and/or by action and law, whether for the specific performance of any covenant or agreement contained in this Note or in Aid of the exercise of any power granted in the Note, or proceed to enforce the payment of this Note or to enforce any other legal or equitable rights of the Lender.

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All notices and demands provided for herein shall be in writing and shall be personally delivered or mailed by prepaid registered mail to the Borrower at 2000, 10423 101 Street, Edmonton, Alberta, T5H 0E8 or to such other address as either party may from time to time designate to the other party by notice in the aforesaid manner. Any notice or demand so personally delivered shall be deemed to have been validly and effectively given and received on the date of such delivery. Any notice or demand so mailed shall be deemed to have been validly and effectively given and received on the fifth day following the date of mailing.

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In addition, the Lender acknowledges that the Borrower may be amalgamated (any such amalgamated company being herein called "Amalco"). Upon such amalgamation Amalco shall possess, and be subject to, all rights, privileges, liabilities and obligations of the Borrower hereunder and all references to the Borrower shall be deemed to refer to "Amalco".

14. Governing Law

This Note shall be construed, interpreted and enforced in accordance with, and the rights and obligations of the parties shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein and each party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom.

The undersigned agrees to the foregoing terms. DATED and executed as of the 27th day of December 2023.

EPCOR Natural Gas Limited Partnership, by its general partner, EPCOR
Ontario Utilities Inc.

Per: 

Joseph Gysel
Senior Vice President, North American Commercial Services

Per: 

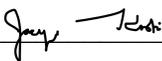
Shawna Sicotte
Controller, North American Commercial Services

The undersigned agrees to the foregoing terms. DATED and executed as of the 27th day of December 2023.

EPCOR UTILITIES INC.

Per: 

Tony Scozzafava
Senior Vice President, Finance & Chief Financial Officer

Per: 

Jacyn Koski
Treasurer & Director, Taxation

Schedule A - Payment Schedule for Promissory Note to EPCOR Utilities Inc.						
issued by						
EPCOR Natural Gas LP						
Cdn. \$1 Million 30 Year Note @ 5.04% Due December 4, 2053						
Date	Opening Principal	Interest Rate	Total Payment	Principal Payment	Interest Payment	Closing Principal
4-Dec-23	1,000,000	5.04%	-		-	1,000,000
4-Jun-24	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-24	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-25	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-25	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-26	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-26	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-27	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-27	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-28	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-28	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-29	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-29	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-30	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-30	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-31	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-31	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-32	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-32	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-33	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-33	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-34	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-34	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-35	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-35	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-36	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-36	1,000,000	5.04%	(25,200)		(25,200)	1,000,000

4-Jun-37	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-37	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-38	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-38	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-39	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-39	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-40	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-40	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-41	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-41	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-42	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-42	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-43	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-43	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-44	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-44	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-45	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-45	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-46	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-46	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-47	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-47	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-48	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-48	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-49	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-49	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-50	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-50	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-51	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-51	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-52	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-52	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Jun-53	1,000,000	5.04%	(25,200)		(25,200)	1,000,000
4-Dec-53	1,000,000	5.04%	(1,025,200)	(1,000,000)	(25,200)	-
Total Paid			(2,512,000)	(1,000,000)	(1,512,000)	-