

EXHIBIT 5: COST OF CAPITAL AND CAPITAL  
STRUCTURE  
2025 Cost of Service

Atikokan Hydro Inc.  
EB-2024-0008

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## 2.5. Cost of Capital and Capital Structure

The purpose of this Exhibit is to summarize the method and cost of financing capital requirements for the 2025 Test Year.

### 2.5.1 Capital Structure

Atikokan Hydro (“Atikokan”) followed the Report of the Board on Cost of Capital for Ontario’s Regulated Utilities (the “Cost of Capital Report”) dated December 11, 2009, to determine its capital structure and relied on the Board’s letter titled 2024 Cost of Capital Parameter dated October 31, 2023 for the cost of capital parameters for 2024 Cost-Based Rates.

The OEB determined Cost of Capital parameters are as follows:

ROE	9.21%
Deemed LT Debt rate	4.58%
Deemed ST Debt rate	6.23%

Atikokan acknowledges these Cost of Capital parameters are subject to change and update upon release of the OEB’s approved Cost of Capital Parameters for 2025.

Per Filing Requirements, material changes in capital structures are to be disclosed Atikokan confirms it has no material changes in actual or deemed capital structure.

Atikokan has prepared this application with a deemed capital structure of 56% Long Term Debt, 4% Short Term Debt and 40% Equity to comply with the Cost of Capital Report.

Overall, Atikokan is requesting a deemed interest expense of \$152,591 and a deemed return on equity of \$140,494 for a total regulated return on capital of \$293,085 for its 2025 Test Year.

Per the filing requirements, OEB Appendix 2-OA [Capital Structure and Cost of Capital] for the last OEB approved and test year have been completed. See Appendix. B. OEB Appendix 2-OB [Cost of Debt Instruments] has been completed for historical years, the 2024 bridge year and the 2025 test year, see Appendix D.

See Appendix A for 2025 rate base calculation supporting and consistent with OEB Appendix 2-OA and the rate base used for capital structure and cost of capital calculation.

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

Return on Equity

For purposes of the rate application, Atikokan used a return on equity (“ROE”) of 9.21% for the 2025 Test year in accordance with the Cost of Capital Parameter for 2024 Cost of Service Applications issued by the OEB on October 31, 2023. Atikokan understands that the ROE is subject to change and per filing guidelines will be updated in accordance with the OEB’s issuance of finalized 2025 Cost of Capital parameters.

The table below shows the historical achieved return on equity.

**Table 5-1 Historical ROE**

Historical Return on Equity	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Deemed ROE	8.78%	8.78%	8.78%	8.78%	8.78%	8.78%	8.78%
Achieved ROE	9.46%	11.21%	7.62%	7.29%	10.92%	7.22%	19.16%

Cost of Debt

Long Term Debt

At the time of filing, Atikokan has two long term debt instruments and is expecting to add additional debt in 2025.

Atikokan is requesting a return on Long Term Debt for the 2025 test Year of 6.70%. This is consistent with Atikokan’s current rates.

Atikokan is currently paying prime rate (6.70% at time of filing) on two existing Loans held by Atikokan’s affiliate, Atikokan Enercom. For purposes of this application, it is assumed the interest rate will be held at prime of 6.70%. The terms and conditions of each of these debt instruments are provided in Appendix C.

Atikokan has projected to borrow in the 2025 Test Year for a new fleet purchase and to fund capital expenditures. Atikokan has prorated the 2025 financing where applicable. The debt will be with Atikokan's affiliate.

Included in Appendix D is Atikokan's Debt Instruments; OEB Appendix 2-OB for historical years 2017 through 2023, 2024 Bridge Year and 2025 Test Year. In completing the historical years, the interest used what the actual interest paid whereas the interest rate was the weighted average of the rates based on the number of days the rate was effective. The principal was the beginning balance of the loan at the beginning of the year. The forecasted 2025 interest was based on the actual 2024 interest rates being paid at the time of filing.

**Table 5-2 Test Year (2025) Forecasted Debt**

Year <span style="border: 1px solid black; padding: 0 5px;">2025</span>										
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) <sup>2</sup>	Interest (\$) <sup>1</sup>	Additional Comments, if any
1	Garage	Royal Bank of Canada	Third-Party	Variable Rate	24-Jul-17	15	\$ 13,740	6.70%	\$ 920.61	
2	Digger Derrick Truck	Atikokan Enercom Inc.	Affiliated	Variable Rate	8-May-18	7	\$ 9,017	6.70%	\$ 604.15	
3	Backyard Machine	Atikokan Enercom Inc.	Affiliated	Variable Rate	1-Apr-25	6	\$ 350,000	6.70%	\$ 17,667.81	monthly principal \$5,000
4	Fund capital expenditures	Atikokan Enercom Inc.	Affiliated	Variable Rate	1-Jan-25	5	\$ 50,000	6.70%	\$ 3,350.00	
5									\$ -	
6									\$ -	
7									\$ -	
8									\$ -	
9									\$ -	
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 422,758	6.70%	\$ 22,542.56	

### Short Term Debt

Atikokan is requesting a return on Short Term Debt for the 2025 Test year of 6.23% in accordance with the 2024 Cost of Capital Parameter Updates issued by the OEB on October 31, 2023. Atikokan understands the OEB will be finalizing the return on short term debt for 2025 rates at a later date. Consistent with OEB guidelines, Atikokan expects to update its application to reflect revised 2025 short term debt rate, if required.

## Common Equity

Atikokan's equity structure includes 12,779 Class A Common Shares valued at \$1,277,900.

## Preference Shares

The Town of Atikokan, Atikokan Hydro's shareholder, converted \$1,262,063 of debt-to-equity November of 2013. This debt-to-equity conversion changed Atikokan's high Debt-equity ratio to an acceptable and viable ratio as deemed by the Board's Cost of Capital Report. In consideration of the debt conversion, Atikokan approved the issuance and conversion of the Debt to Shares by way of Resolution of the Directors and approval by the shareholder, Town of Atikokan. A subscription of \$1,262,063 Class D Preferred Shares eliminated the indebtedness owing by Atikokan Hydro Inc. to the Town of Atikokan. This debt-to-equity conversion was in affect during Atikokan's last Cost of Service; there have been no other changes since.

## 2.5.3 Not-for-Profit Corporations

The OEB filing requirement contain certain requirements for Not-For-Profit Corporations. These requirements are not applicable to Atikokan's application.

APPENDIX A: Rate Base Calculation

Rate Base and Working Capital Allowance		
	2024 Test Year	
Opening Balance Gross Fixed Assets	7,973,209	
Ending Balance Gross Fixed Assets	8,607,483	
Average Balance Gross Fixed Assets		\$ 8,290,346
Opening Balance Accumulated Amortization	4,707,562	
Closing Balance Accumulated Amortization	4,924,670	
Average Balance Accumulated Amortization		\$ 4,816,116
<b>Allowance For Working Capital 7.5%</b>		<b>\$ 339,393</b>
<b>Total Rate Base</b>		<b>\$ 3,813,623</b>

Working Capital Calculation	
	2025 Test Year
Operations	444,842
Maintenance	173,697
Billing and Collecting	213,543
Administrative and General Expenses	508,219
Taxes other than Income Taxes (Property Tax)	28,966
<b>Total Eligible Distribution Expenses</b>	<b>1,369,267</b>
Cost of Power	3,155,979
<b>Total Expenses for Working Capital</b>	<b>4,525,246</b>
Working Capital Factor	7.5%
<b>Total Working Capital Allowance</b>	<b>\$339,393</b>

APPENDIX B: Capital Structure; OEB Appendix 2-OA

## Appendix 2-OA Capital Structure and Cost of Capital

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

Test Year: 2025

Line No.	Particulars	Capitalization Ratio		Cost Rate		Return
		(%)	(\$)	(%)		(\$)
	<b>Debt</b>					
1	Long-term Debt	56.00%	\$2,135,629	6.70%		\$143,087
2	Short-term Debt	4.00% (1)	\$152,545	6.23%		\$9,504
3	<b>Total Debt</b>	60.0%	\$2,288,174	6.67%		\$152,591
	<b>Equity</b>					
4	Common Equity	40.00%	\$1,525,449	9.21%		\$140,494
5	Preferred Shares		\$ -			\$ -
6	<b>Total Equity</b>	40.0%	\$1,525,449	9.21%		\$140,494
7	<b>Total</b>	100.0%	\$3,813,623	7.69%		\$293,085

**Notes**

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

Last OEB-approved year: 2017

Line No.	Particulars	Capitalization Ratio		Cost Rate		Return
		(%)	(\$)	(%)		(\$)
	<b>Debt</b>					
1	Long-term Debt	56.00%	\$1,923,736	2.54%		\$48,863
2	Short-term Debt	4.00% (1)	\$137,410	1.76%		\$2,418
3	<b>Total Debt</b>	60.0%	\$2,061,146	2.49%		\$51,281
	<b>Equity</b>					
4	Common Equity	40.00%	\$1,374,097	8.78%		\$120,646
5	Preferred Shares		\$ -	0.00%		\$ -
6	<b>Total Equity</b>	40.0%	\$1,374,097	8.78%		\$120,646
7	<b>Total</b>	100.0%	\$3,435,243	5.00%		\$171,927

**Notes**

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

APPENDIX C: Atikokan Hydro Debt Instruments – Terms & Conditions

The table below shows the details of Atikokan’s existing loans at the time of filing.

Debt Instrument	Terms and Conditions	Balance: December 31, 2023
Loan with Atikokan Enercom Inc – Unsecured, due July 2025  (Loan for Garage)	Original principal amount: 228,939.12. Interest monthly at prime. Monthly principal payments of \$1,271.89.	\$24,281
Loan with Atikokan Enercom Inc – Unsecured, due April 2025  (Loan for Digger Derrick Truck)	Original principal amount: \$288,554. May 2018. Prime interest. Monthly principal payments of \$3,435.17.	\$53,398

## APPENDIX D: Appendix 2-OB Cost of Debt Instruments

Below are Atikokan's debt instruments for all required historical years (2017 through 2023), as well as forecasts for the 2024 Bridge Year and the 2025 Test Year.

Year 2017

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) <sup>2</sup>	Interest (\$) <sup>1</sup>	Additional Comments, if any
1	Smart Meters/Capital Investment	Atikokan Enercom Inc	Affiliated	Variable Rate	7-Apr-09		\$ 342,000	1.70%	\$ 5,040.65	monthly principal \$5,000
2	International Cab, Chassis (9095 truck)	TD Canada Trust	Third-Party	Variable Rate	1-Dec-09	10	\$ 56,614	3.70%	\$ 963.73	
3	Garage	TD Canada Trust	Third-Party	Variable Rate	1-Dec-09	15	\$ 131,004	3.95%	\$ 2,917.53	
4	International Cab, Chassis	Royal Bank of Canada	Third-Party	Variable Rate	24-Jul-17	1		3.88%	\$ 411.93	originally TD loan, \$31,845
5	Garage	Royal Bank of Canada	Third-Party	Variable Rate	24-Jul-17	8		3.88%	\$ 2,123.12	originally TD loan, \$122,100
6									\$ -	
7									\$ -	Principal \$ - opening balance
8									\$ -	Interest \$ - actual paid
9									\$ -	Rate % - Average paid
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 529,618	3.42%	\$ 11,456.96	

Year 2018

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) <sup>2</sup>	Interest (\$) <sup>1</sup>	Additional Comments, if any
1	Smart Meters/Capital Investment	Atikokan Enercom Inc	Affiliated	Variable Rate	7-Apr-09		\$ 282,000	2.61%	\$ 5,380.68	monthly principal \$5,000
2	International Cab, Chassis (9095 truck)	Royal Bank of Canada	Third-Party	Variable Rate	24-Jul-17	10	\$ 14,155	2.61%	\$ 122.27	originally TD loan
3	Garage	Royal Bank of Canada	Third-Party	Variable Rate	24-Jul-17	15	\$ 115,865	2.61%	\$ 4,707.09	originally TD loan
4	Digger Derrick Truck	Atikokan Enercom Inc	Affiliated	Variable Rate	8-May-18	7	\$ 288,554	2.70%	\$ 4,638.41	
5									\$ -	
6									\$ -	Principal \$ - opening balance
7									\$ -	Interest \$ - actual paid
8									\$ -	Rate % - Average paid
9									\$ -	
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 700,574	2.63%	\$ 14,848.45	

Year 2019

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) <sup>2</sup>	Interest (\$) <sup>1</sup>	Additional Comments, if any
1	Smart Meters/Capital Investment	Atikokan Enercom Inc	Affiliated	Variable Rate	7-Apr-09		\$ 222,000	3.95%	\$ 7,694.74	monthly principal \$5,000
2	Garage	Royal Bank of Canada	Third-Party	Variable Rate	24-Jul-17	15	\$ 100,601	3.95%	\$ 3,066.84	originally TD loan
3	Digger Derrick Truck	Atikokan Enercom Inc	Affiliated	Variable Rate	8-May-18	7	\$ 261,073	3.95%	\$ 9,562.51	
4	Service Truck 9098	Atikokan Enercom Inc	Affiliated	Variable Rate	30-May-19	4	\$ 60,000	3.95%	\$ 1,287.37	
5	Service Truck 9099	Atikokan Enercom Inc	Affiliated	Variable Rate	23-Aug-19	4	\$ 45,000	3.95%	\$ 636.44	
6	Garage	Atikokan Enercom Inc	Affiliated	Variable Rate	28-Aug-19			3.95%	\$ 1,161.33	former RBC, \$90,425.14
7									\$ -	
8									\$ -	Principal \$ - opening balance
9									\$ -	Interest \$ - actual paid
10									\$ -	Rate % - Average paid
11									\$ -	
12									\$ -	
Total							\$ 688,674	3.95%	\$ 23,409.23	

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Year 2020

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) <sup>2</sup>	Interest (\$) <sup>1</sup>	Additional Comments, if any
1	Smart Meters/Capital Investment	Atikokan Enercom Inc.	Affiliated	Variable Rate	7-Apr-09		\$ 162,000	2.76%	\$ 3,798.12	monthly principal \$5,000
2	Garage	Royal Bank of Canada	Third-Party	Variable Rate	24-Jul-17	15	\$ 85,337	2.76%	\$ 2,188.67	
3	Digger Derrick Truck	Atikokan Enercom Inc.	Affiliated	Variable Rate	8-May-18	7	\$ 219,851	2.76%	\$ 5,616.74	
4	Service Truck 9098	Atikokan Enercom Inc.	Affiliated	Variable Rate	30-May-19	4	\$ 51,250	2.76%	\$ 1,247.35	
5	Service Truck 9099	Atikokan Enercom Inc.	Affiliated	Variable Rate	23-Aug-19	4	\$ 40,000	2.76%	\$ 935.68	
6									\$ -	
7									\$ -	Principal \$ - opening balance
8									\$ -	Interest \$ - actual paid
9									\$ -	Rate % - Average paid
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 558,438	2.76%	\$ 13,786.56	

2

Year 2021

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) <sup>2</sup>	Interest (\$) <sup>1</sup>	Additional Comments, if any
1	Smart Meters/Capital Investment	Atikokan Enercom Inc.	Affiliated	Variable Rate	7-Apr-09		\$ 102,000	2.45%	\$ 1,822.07	monthly principal \$5,000
2	Garage	Royal Bank of Canada	Third-Party	Variable Rate	24-Jul-17	15	\$ 70,073	2.45%	\$ 1,544.57	
3	Digger Derrick Truck	Atikokan Enercom Inc.	Affiliated	Variable Rate	8-May-18	7	\$ 178,629	2.45%	\$ 3,911.33	Former RBC loan
4	Service Truck 9098	Atikokan Enercom Inc.	Affiliated	Variable Rate	30-May-19	4	\$ 36,250	2.45%	\$ 717.06	
5	Service Truck 9099	Atikokan Enercom Inc.	Affiliated	Variable Rate	23-Aug-19	4	\$ 25,000	2.45%	\$ 443.27	
6									\$ -	
7									\$ -	Principal \$ - opening balance
8									\$ -	Interest \$ - actual paid
9									\$ -	Rate % - Average paid
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 411,952	2.45%	\$ 8,438.30	

3

Year 2022

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) <sup>2</sup>	Interest (\$) <sup>1</sup>	Additional Comments, if any
1	Smart Meters/Capital Investment	Atikokan Enercom Inc.	Affiliated	Variable Rate	7-Apr-09		\$ 42,000	3.78%	\$ 478.91	monthly principal \$5,000
2	Garage	Royal Bank of Canada	Third-Party	Variable Rate	24-Jul-17	15	\$ 54,809	3.78%	\$ 1,918.12	
3	Digger Derrick Truck	Atikokan Enercom Inc.	Affiliated	Variable Rate	8-May-18	7	\$ 137,407	3.78%	\$ 4,708.34	
4	Service Truck 9098	Atikokan Enercom Inc.	Affiliated	Variable Rate	30-May-19	4	\$ 21,250	3.78%	\$ 508.25	
5	Service Truck 9099	Atikokan Enercom Inc.	Affiliated	Variable Rate	23-Aug-19	4	\$ 10,000	3.78%	\$ 131.30	
6									\$ -	
7									\$ -	Principal \$ - opening balance
8									\$ -	Interest \$ - actual paid
9									\$ -	Rate % - Average paid
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 265,466	3.78%	\$ 7,744.92	

4

5

Year 2023

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) <sup>2</sup>	Interest (\$) <sup>1</sup>	Additional Comments, if any
1	Garage	Royal Bank of Canada	Third-Party	Variable Rate	24-Jul-17	15	\$ 39,545	6.94%	\$ 2,238.59	
2	Digger Derrick Truck	Atikokan Enercom Inc.	Affiliated	Variable Rate	8-May-18	7	\$ 96,184	6.94%	\$ 5,311.47	
3	Service Truck 9098	Atikokan Enercom Inc.	Affiliated	Variable Rate	30-May-19	4	\$ 6,250	6.94%	\$ 95.30	
4									\$ -	
5									\$ -	Principal \$ - opening balance
6									\$ -	Interest \$ - actual paid
7									\$ -	Rate % - Average paid
8									\$ -	
9									\$ -	
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 141,980	6.94%	\$ 7,645.36	

6

1

2

Year 2024

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) <sup>2</sup>	Interest (\$) <sup>1</sup>	Additional Comments, if any
1	Garage	Royal Bank of Canada	Third-Party	Variable Rate	24-Jul-17	15	\$ 24,281	6.95	\$ 1,198.91	
2	Digger Derrick Truck	Atikokan Enercom Inc.	Affiliated	Variable Rate	8-May-18	7	\$ 54,962	6.95	\$ 2,508.42	
3									\$ -	
4									\$ -	Principal \$ - opening balance
5									\$ -	Interest \$ - actual + projected
6									\$ -	Rate % - Average, actual/project.
7									\$ -	
8									\$ -	
9									\$ -	
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 79,244	6.95%	\$ 3,707.33	

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Year 2025

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) <sup>2</sup>	Interest (\$) <sup>1</sup>	Additional Comments, if any
1	Garage	Royal Bank of Canada	Third-Party	Variable Rate	24-Jul-17	15	\$ 13,740	6.70%	\$ 920.61	
2	Digger Derrick Truck	Atikokan Enercom Inc.	Affiliated	Variable Rate	8-May-18	7	\$ 9,017	6.70%	\$ 604.15	
3	Backyard Machine	Atikokan Enercom Inc.	Affiliated	Variable Rate	1-Apr-25	6	\$ 350,000	6.70%	\$ 17,667.81	monthly principal \$5,000
4	Fund capital expenditures	Atikokan Enercom Inc.	Affiliated	Variable Rate	1-Jan-25	5	\$ 50,000	6.70%	\$ 3,350.00	
5									\$ -	
6									\$ -	
7									\$ -	
8									\$ -	
9									\$ -	
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 422,758	6.70%	\$ 22,542.56	

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1 APPENDIX E: Loan Agreement

2

3

# LOAN AGREEMENT



117 Gorrie Street, Box 1480  
Atikokan, Ontario P0T 1C0

Telephone (807) 597-6600  
Fax (807-597-6988



Dated this day, December 11, 2019

BETWEEN: **ATIKOKAN HYDRO INC.**  
(hereinafter called "Hydro" or the "Borrower")

and

ATIKOKAN ENERCOM INC.  
(hereinafter called "Enercom" or the "Lender")

IN CONSIDERATION OF the Lender loaning money (the "Loan") to the Borrower, and the Borrower repaying the Loan to the Lender, both parties agree to keep, perform and fulfill the promises and conditions set out in this agreement.

This agreement serves as a formal agreement and schedule between the two parties involved; Hydro and Enercom acknowledging and agreeing to terms and conditions of the proceeds loaned (to date).

Acknowledgment of Loan amounts as of December 1, 2019:

Loan #	Loan Description	Date Borrowed	Original Loan Amounts	Principal Remaining December 1, 2019	Monthly Principal Payment*
	Smart Meters	31-Dec-09	400,000.00		
	Capital project	27-May-14	129,000.00		
1	Capital Projects		<b>529,000.00</b>	<b>194,481.36</b>	5,000.00
2	Digger Derrick	8-May-18	<b>288,554.00</b>	<b>195,804.41</b>	3,435.17
3	Service Truck 9099	30-May-19	<b>45,000.00</b>	<b>41,250.00</b>	1,250.00
4	Service Truck 9098	23-Aug-19	<b>60,000.00</b>	<b>52,500.00</b>	1,250.00
5	Garage Loan	29-Aug-19	<b>90,425.14</b>	<b>86,609.14</b>	1,272.00
<i>*Interest paid monthly with monthly principal payments</i>					

### Payment

The borrower (Hydro) shall continue to pay Enercom monthly principal and interest on or before the last business day of the month until the loans have been repaid. In consideration of Fair Market Value; the loans interest rate shall be (at minimal) equivalent to the Bank of Canada Prime Rate. Interest will be calculated based on the payment being received on the last calendar day of the month.

Prime rate interest shall be paid from the effective date of the new loans borrowed in 2019. This includes loans 3, 4 and 5 in the loan table included in this agreement. All other pre-arranged loans (Number 1 and 2) shall pay prime rate effective January 1, 2019.

### Default

If the Borrower defaults in the obligations under this agreement, then the Lender may declare the principal amount owing and interest due under this Agreement at that time to be immediately due and payable.

### Amendments

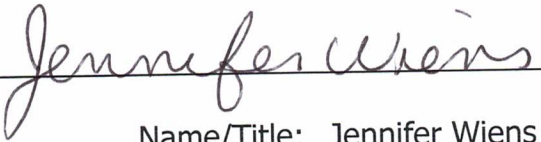
This Agreement may only be amended or modified by written instructions executed by both the Borrower and the Lender.

The agreement does not require amendment for interest rate changes if the rate is only being changed to reflect the current Bank of Canada Prime Rate. All other changes to this agreement must be amended accordingly.

**ATIKOKAN HYDRO INC.**

Per: 

Name/Title Herb Roehrig/ President

Per: 

Name/Title: Jennifer Wiens  
CEO Secretary/Treasurer


I/We have authority to bind the Corporation.

Witness:

Per: 

Name/Title: Dennis Brown/Director

**ATIKOKAN ENERCOM INC.**

Per: 

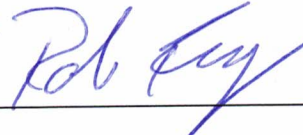
Name/Title Herb Roehrig/ President

Per: 

Name/Title: Jennifer Wiens  
CEO Secretary/Treasurer

I/We have authority to bind the Corporation

Witness:

Per: 

Name/Title: Rob Ferguson/Director