



EXHIBIT 5 – COST OF CAPITAL

2027 Cost of Service

Ottawa River Power Corporation
EB-2026-0066

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5.1 OVERVIEW

In this Exhibit, Ottawa River Power Corp. (ORPC) presents evidence regarding its capital structure, debt financing, and the calculation of its return on equity for the 2027 Test Year.

ORPC seeks to recover a weighted average cost of capital of 6.22% through rates in the 2027 Test Year. The utility has followed the guidance provided in the March 27, 2025, Decision and Order regarding cost of capital parameters and deemed capital structure to be used to set rates (EB-2024-0063).

In calculating the applicable cost of capital, ORPC has used:

- The OEB's deemed capital structure of 56% long-term debt, 4% short-term debt, and 40% equity;
- The most recent published allowed return on equity (ROE) rate of 9.11% and the short-term debt rate of 2.72% as per the OEB's prescribed Cost of Capital Parameters published October 31, 2025, for 2026 Cost of Service applications, and
- ORPC's actual weighted average cost of long-term debt of 4.40%.

For the 2027 Test Year, ORPC is requesting a deemed interest expense of \$578,262 and a deemed ROE of \$819,130 for a total regulated return on capital of \$1,397,392.

ORPC acknowledges that it will update this Application to reflect the OEB's 2027 Cost of Capital Parameters after this information becomes available and to the extent that any updated information is applicable to the Application.

Retirements of debt or preference shares and buy-back of common shares; and Short-Term Debt, Long-Term Debt, preference shares as well as common share offerings do not apply to ORPC because the utility does not issue any preference shares and common equity shares.

5.2 CAPITAL STRUCTURE

In the March 27, 2025, Cost of Capital Decision, the capital structure of 60% debt (56% long-term, 4% short term) and 40% equity for all LDCs was maintained. ORPC is requesting a return on debt and return on equity is consistent with this capital structure. ORPC is not seeking any changes in its deemed capital structure from its 2022 Board Approved structure.

Tables 1 and 2 below are from Appendix 2-OA and identify ORPC's 2022 OEB approved capital structure and the propose capital structure for the 2027 Test Year.

Table 1 - Capital Structure & Cost of Capital – 2022 OEB Approved

Particulars	Capitalization Ratio		Cost Rate	Return
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt (Notional)		\$ -		\$ -
Long-term Debt (Actual)	56.00%	\$7,299,679	3.49%	\$254,759
Short-term Debt	4.00%	\$521,406	1.17%	\$6,100
Total Debt	60.0%	\$7,821,085	3.34%	\$260,859
Equity				
Common Equity	40.00%	\$5,214,056	8.66%	\$451,537
Preferred Shares		\$ -		\$ -
Total Equity	40.0%	\$5,214,056	8.66%	\$451,537
Total	100.0%	\$13,035,141	5.47%	\$712,397

Table 2 - Capital Structure & Cost of Capital – 2027 Test Year

Particulars	Capitalization Ratio		Cost Rate	Return
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt (Notional)	56.00%	\$12,588,172	4.40%	\$553,805
Long-term Debt (Actual)		\$ -		\$ -
Short-term Debt	4.00%	\$899,155	2.72%	\$24,457
Total Debt	60.0%	\$13,487,327	4.29%	\$578,262
Equity				
Common Equity	40.00%	\$8,991,551	9.11%	\$819,130
Preferred Shares		\$ -		\$ -
Total Equity	40.0%	\$8,991,551	9.11%	\$819,130
Total	100.0%	\$22,478,878	6.22%	\$1,397,392

5.3 COST OF DEBT

5.3.1 SHORT-TERM DEBT

For the 2027 Test Year, ORPC is using the OEB's deemed short-term debt rate of 2.72%, consistent with the OEB's letter of October 31, 2025, entitled *2026 Cost of Capital Parameters*.

5.3.2 LONG-TERM DEBT

ORPC Long Term-Debt is comprised of Affiliate debt held by its Shareholders and Third-Party Debt held by Infrastructure Ontario and the Bank of Montreal. For the 2027 Test Year, ORPC is requesting a weighted average Long-Term Debt rate of 4.40%, based on currently outstanding and proposed debt.

Appendix 2-OB presented below provides the cost of Long-Term Debt for all historical years, the Bridge Year (2026) and Test Year (2027).

Table 3 - Long-Term Debt (Historical and Forecast)

			Year		2022					
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	City of Pembroke	Affiliated	Fixed Rate	1-May-22	10	\$ 4,364,000	3.49%	\$ 152,303.60	
2	Promissory Note	Mississippi Mills	Affiliated	Fixed Rate	1-May-22	10	\$ 902,490	3.49%	\$ 31,496.90	
3	Promissory Note	Whitewater Region	Affiliated	Fixed Rate	1-May-22	10	\$ 147,000	3.49%	\$ 5,130.30	
4	Promissory Note	Killaloe, Hagarty	Affiliated	Fixed Rate	1-May-22	10	\$ 172,348	3.49%	\$ 6,014.95	
5	Capital Financing Loan - Almonte Municipal S	Infrastructure Ontario	Third-Party	Fixed Rate	30-Jun-20	30	\$ 1,704,620	2.56%	\$ 43,638.26	July 1 balance
6									\$ -	
7									\$ -	
8									\$ -	
9									\$ -	
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 7,290,458	3.27%	\$ 238,584.01	

			Year		2023					
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	City of Pembroke	Affiliated	Fixed Rate	1-May-22	10	\$ 4,364,000	3.49%	\$ 152,303.60	
2	Promissory Note	Mississippi Mills	Affiliated	Fixed Rate	1-May-22	10	\$ 902,490	3.49%	\$ 31,496.90	
3	Promissory Note	Whitewater Region	Affiliated	Fixed Rate	1-May-22	10	\$ 147,000	3.49%	\$ 5,130.30	
4	Promissory Note	Killaloe, Hagarty	Affiliated	Fixed Rate	1-May-22	10	\$ 172,348	3.49%	\$ 6,014.95	
5	Capital Financing Loan - Almonte Municipal S	Infrastructure Ontario	Third-Party	Fixed Rate	30-Jun-20	30	\$ 1,662,420	2.56%	\$ 42,557.95	July 1 balance
6									\$ -	
7									\$ -	
8									\$ -	
9									\$ -	
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 7,248,258	3.28%	\$ 237,503.69	

			Year	2024						
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	City of Pembroke	Affiliated	Fixed Rate	1-May-22	10	\$ 4,364,000	3.49%	\$ 152,303.60	
2	Promissory Note	Mississippi Mills	Affiliated	Fixed Rate	1-May-22	10	\$ 902,490	3.49%	\$ 31,496.90	
3	Promissory Note	Whitewater Region	Affiliated	Fixed Rate	1-May-22	10	\$ 147,000	3.49%	\$ 5,130.30	
4	Promissory Note	Killaloe, Hagarty	Affiliated	Fixed Rate	1-May-22	10	\$ 172,348	3.49%	\$ 6,014.95	
5	Capital Financing Loan - Almonte Municipality	Infrastructure Ontario	Third-Party	Fixed Rate	30-Jun-20	30	\$ 1,619,127	2.56%	\$ 41,449.65	July 1 balance
6									\$ -	
7									\$ -	
8									\$ -	
9									\$ -	
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 7,204,965	3.28%	\$ 236,395.39	

			Year	2025						
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	City of Pembroke	Affiliated	Fixed Rate	1-May-22	10	\$ 4,364,000	3.49%	\$ 152,303.60	
2	Promissory Note	Mississippi Mills	Affiliated	Fixed Rate	1-May-22	10	\$ 902,490	3.49%	\$ 31,496.90	
3	Promissory Note	Whitewater Region	Affiliated	Fixed Rate	1-May-22	10	\$ 147,000	3.49%	\$ 5,130.30	
4	Promissory Note	Killaloe, Hagarty	Affiliated	Fixed Rate	1-May-22	10	\$ 172,348	3.49%	\$ 6,014.95	
5	Capital Financing Loan - Almonte Municipi	Infrastructure Ontario	Third-Party	Fixed Rate	30-Jun-20	30	\$ 1,574,712	2.56%	\$ 40,312.64	July 1 balance
6	Closed Term Loan - 2025-09	Bank of Montreal	Third-Party	Fixed Rate	5-Sep-25	5	\$ 159,085	5.13%	\$ 8,161.07	Oct 31 balance
7									\$ -	
8									\$ -	
9									\$ -	
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 7,319,636	3.33%	\$ 243,419.45	

			Year		2026					
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	City of Pembroke	Affiliated	Fixed Rate	1-May-22	10	\$ 4,364,000	3.49%	\$ 152,303.60	
2	Promissory Note	Mississippi Mills	Affiliated	Fixed Rate	1-May-22	10	\$ 902,490	3.49%	\$ 31,496.90	
3	Promissory Note	Whitewater Region	Affiliated	Fixed Rate	1-May-22	10	\$ 147,000	3.49%	\$ 5,130.30	
4	Promissory Note	Killaloe, Hagarty	Affiliated	Fixed Rate	1-May-22	10	\$ 172,348	3.49%	\$ 6,014.95	
5	Capital Financing Loan - Almonte Municipality	Infrastructure Ontario	Third-Party	Fixed Rate	30-Jun-20	30	\$ 1,529,148	2.56%	\$ 39,146.18	July 1 balance
6	Closed Term Loan - 2025-09	Bank of Montreal	Third-Party	Fixed Rate	5-Sep-25	5	\$ 481,136	5.13%	\$ 24,682.27	July 1 balance
7	Closed Term Loan - 2026-01	Bank of Montreal	Third-Party	Fixed Rate	7-Jan-26	1	\$ 480,043	4.37%	\$ 20,977.87	July 1 balance
8	Closed Term Loan - 2026-04	Bank of Montreal	Third-Party	Fixed Rate	13-Apr-26	1	\$ 370,685	4.49%	\$ 16,643.75	August 1 balance
9	Closed Term Loan - 2026-09	Bank of Montreal	Third-Party	Fixed Rate	1-Sep-26	3	\$ 165,452	4.73%	\$ 7,825.88	November 1 balance
10									\$ -	
11									\$ -	
12									\$ -	
Total							\$ 8,612,301	3.53%	\$ 304,221.70	

			Year	2027						
Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	City of Pembroke	Affiliated	Fixed Rate	1-May-22	10	\$ 4,364,000	4.73%	\$ 206,417.20	To be updated to deen
2	Promissory Note	Mississippi Mills	Affiliated	Fixed Rate	1-May-22	10	\$ 902,490	4.73%	\$ 42,687.78	To be updated to deen
3	Promissory Note	Whitewater Region	Affiliated	Fixed Rate	1-May-22	10	\$ 147,000	4.73%	\$ 6,953.10	To be updated to deen
4	Promissory Note	Killaloe, Hagarty	Affiliated	Fixed Rate	1-May-22	10	\$ 172,348	4.73%	\$ 8,152.06	To be updated to deen
5	Capital Financing Loan - Almonte Municip	Infrastructure Ontario	Third-Party	Fixed Rate	30-Jun-20	30	\$ 1,482,403	2.56%	\$ 37,949.50	July 1 balance
6	Closed Term Loan - 2025-09	Bank of Montreal	Third-Party	Fixed Rate	5-Sep-25	5	\$ 457,411	5.13%	\$ 23,465.16	July 1 balance
7	Closed Term Loan - 2026-01	Bank of Montreal	Third-Party	Fixed Rate	7-Jan-26	1	\$ 463,402	4.37%	\$ 20,250.68	July 1 balance based on
8	Closed Term Loan - 2026-04	Bank of Montreal	Third-Party	Fixed Rate	1-Apr-26	1	\$ 476,000	4.73%	\$ 22,514.80	July 1 balance
9	Closed Term Loan - 2026-09	Bank of Montreal	Third-Party	Fixed Rate	1-Sep-26	1	\$ 480,000	4.73%	\$ 22,704.00	July 1 balance
10	Closed Term Loan - 2027-01	Bank of Montreal	Third-Party	Fixed Rate	1-Jan-27	1	\$ 487,500	4.73%	\$ 23,058.75	July 1 balance
11	Closed Term Loan - 2027-07	Bank of Montreal	Third-Party	Fixed Rate	1-Jul-27	1	\$ 249,030	4.73%	\$ 11,779.13	October 1 balance
12									\$ -	
Total							\$ 9,681,583	4.40%	\$ 425,932.16	

In the Test Year (2027), the Interest Rate on the four Promissory Notes is set at the Long-Term Debt rate approved by the OEB, which is currently 4.73%. This rate will be updated to reflect any new Long-Term Debt rate issued by the OEB prior to the Decision and Order for this Application. Copies of the Promissory Notes are provided as Appendix 5A, 5B, 5C, and 5D.

In the Bridge (2026) and Test (2027) years, ORPC plans on securing \$1,000,000 of debt in each year. This will be done in four separate \$500,000 issuances. The actual timing, term and rate of this new debt will be determined based on cash flow needs and financial market conditions.

The principal values in the tables above reflect the average annual value of outstanding debt and interest has been calculated accordingly on these amounts. For example, the July 1, 2027, planned loan of \$500,000 will only be outstanding for 184 days so the 2027 average principal outstanding has been adjusted and interest cost has been calculated to reflect this.

Long-Term Debt is comprised of Promissory Notes with Shareholders, an Infrastructure Ontario Loan and term loans with the Bank of Montreal. These are discussed as follows:

Promissory Notes – ORPC has promissory notes with the four following lenders, all of which are affiliates of ORPC:

- The City of Pembroke,
- The Municipality of Mississippi Mills,
- The Township of Whitewater Region, and
- The Township of Killaloe, Hagarty and Richards.

Further to the OEB's Decision in OPRC's 2022 Rate Application (EB-2021-0052) the total principal amounts outstanding have an interest rate of 3.49%. The interest rate on promissory notes is set at a variable rate, such that on rebasing, the notes are subject to the OEB's prevailing deemed long term debt rate. Accordingly, in this application, ORPC has assumed the current deemed Long-Term Debt rate of 4.73% for these four promissory notes. This rate is subject to update when the OEB establishes the Long-Term Debt rate for 2027 Cost of Service rebasing applications. This helps to ensure that the affiliated debt

held by the shareholders is no higher than it would have been if funds were borrowed directly by the utility through the external markets.

ORPC confirms that no principal is currently being paid on the promissory notes.

○ **Ontario Infrastructure & Lands Corporation Convertible Loan**

In 2019 and 2020 ORPC borrowed \$1,785,850 to fund the Almonte Municipal Substation which was completed in 2020. The loan is for 30 years at a fixed interest of 2.56%. ORPC has used this actual rate of 2.56% in calculating the weighted average cost of debt.

Repayment of the fixed rate long-term loan is made through blended (i.e., principal and interest) monthly payments of \$7,112. The average outstanding principal amount in 2027 is \$1,482,403.

○ **Bank of Montreal (and future) Loans**

As at the end of 2025, ORPC had one Third-Party loan with the Bank of Montreal. In the Bridge (2026) and Test (2027) Years, ORPC expects to borrow an additional \$1,000,000 in each year to help fund capital requirements. ORPC will obtain market pricing for these loans and secure the best possible interest rate prevailing at the time the loan is required. An additional financing facility approved in 2024 provides ORPC with borrowing capacity of up to \$3.8 million, which may be accessed as capital expenditures are incurred rather than requiring the utility to borrow the full amount upfront. This approach minimizes carrying costs by ensuring debt is incurred only when funding is required.

The financing was established through a competitive process in which ORPC solicited proposals from multiple financial institutions, including Canadian banks and credit unions, to identify the financing arrangements that best balanced borrowing flexibility, cost, and long-term value for customers. Following a comprehensive evaluation of the proposals received, ORPC determined that the BMO financing arrangement represented the most appropriate and cost-effective solution.

Under the approved credit facility, each advance is funded as a separate term loan at the time funds are drawn. The applicable interest rate is established based on prevailing market rates at the date of each draw, and each advance is amortized over a 15-year period. This structure enables ORPC to align borrowing with the timing of its capital program, avoid paying interest on funds before they are required, and reduce overall financing costs while maintaining access to capital necessary to execute its investment plan.

ORPC believes this financing strategy provides an appropriate balance between financial flexibility, prudent debt management, and the objective of minimizing financing costs for the benefit of customers.

5.3.3 WEIGHTED AVERAGE COST OF DEBT

ORPC proposes a weighted average cost of debt of 4.29% based on the calculations as illustrated in the table below.

Table 4 - Weighted Average Cost of Debt

Debt					
Long-term Debt (Notional)	56.00%		\$12,588,172	4.40%	\$553,805
Long-term Debt (Actual)	0.00%		\$ -	0.00%	\$ -
Short-term Debt	4.00%		\$899,155	2.72%	\$24,457
Total Debt	60.00%		\$13,487,327	4.29%	\$578,262

5.4 NOTIONAL DEBT

Notional Debt is that portion of deemed debt that differs from a utility's actual debt. Notional Debt can be either positive or negative. ORPC's deemed 2027 debt is \$13,487,327 as provided in the table above. The average 2027 debt per Table 3 is projected to be \$9,681,583. Accordingly, ORPC has positive notional debt of \$3,805,744.

5.5 RETURN ON EQUITY

ORPC is requesting an ROE for the 2027 Test Year of 9.11%, consistent with the OEB's direction in the *2026 Cost of Capital Parameters* letter. ORPC acknowledges that the ROE will be updated based on Board guidelines and the ORPC commits to updating the cost capital parameters as new information is available.

ORPC's historical ROE achieved is provided in Table 5 below.

Table 5 - Historical Return on Equity Achieved

Return on Equity	2022	2023	2024	2025
Achieved (%)	10.59%	3.84%	4.50%	3.30%
Deemed in Rates (%)	8.66%	8.66%	8.66%	8.66%

5.6 OVERVIEW OF FINANCING STRATEGY

As part of its ongoing financial management strategy, ORPC actively evaluates its financing arrangements to ensure access to competitively priced capital while maintaining financial flexibility to support its capital investment program.

In late 2021, ORPC completed a competitive request for proposal (RFP) process involving Canada's major banks to evaluate its banking and borrowing arrangements. Following this process, ORPC transitioned its primary banking relationship from Scotiabank to BMO, securing financing terms that best aligned with the utility's operational and long-term financing requirements.

As ORPC's capital investment requirements increased, the utility undertook a further review of its financing needs in 2024. At that time, ORPC's debt-to-equity ratio was approximately 0.7, well below its long-term target capital structure, with forecasts indicating a gradual increase toward the deemed capital structure over the planning period as capital investments are financed.

Recognizing the need to secure additional borrowing capacity in advance of future capital expenditures, ORPC approached several banks and credit unions to evaluate available financing

1 alternatives. This process demonstrated that lenders were generally willing to provide additional
2 financing; however, a significant challenge arose due to ORPC's existing Infrastructure Ontario
3 loan. Under the existing financing arrangements, Infrastructure Ontario maintained first-ranking
4 security over ORPC's assets, while prospective lenders similarly required first-ranking security as a
5 condition of extending new credit facilities.

6 To facilitate additional borrowing while preserving its existing Infrastructure Ontario financing,
7 ORPC worked collaboratively with Infrastructure Ontario and its prospective lender to negotiate
8 an intercreditor agreement. The negotiation and execution of this agreement required
9 approximately twelve months to complete due to the complexity of accommodating the
10 respective security interests of both lenders.

11 The successful completion of this process has strengthened ORPC's long-term financing strategy
12 by establishing the borrowing capacity necessary to support its planned capital investments while
13 maintaining competitive financing arrangements. ORPC will continue to monitor financing
14 markets and evaluate opportunities to optimize its capital structure, manage refinancing risk, and
15 secure financing on terms that provide value to both the utility and its customers.

5.7 APPENDICES

Appendix 5A	Promissory Note – 2022-2032 – City of Pembroke
Appendix 5B	Promissory Note – 2022-2032 – KHR
Appendix 5C	Promissory Note – 2022-2032 – Mississippi Mills
Appendix 5D	Promissory Note – 2022-2032 – Whitewater Region

1 **5.7.1 APPENDIX 5A - PROMISSORY NOTE – 2022-2032 – CITY OF PEMBROKE**

2

PROMISSORY NOTE

Maturity Date: May 1, 2032 (ten (10) years from the date hereof)
Principal Amount: \$4,364,000.00

Reference is made to the transfer of assets identified in Transfer By-law 2000-31.

FOR VALUE RECEIVED, the Ottawa River Power Corporation (the "**Corporation**"), hereby promises to pay to or to the order of the Corporation of the City of Pembroke (the "**Holder**"), in lawful money of Canada, on May 1, 2032 (the "**Maturity Date**") at the principal office of the Holder, the principal amount of FOUR MILLION, THREE HUNDRED AND SIXTY-FOUR THOUSAND Dollars (\$4,364,000.00) (the "**Principal Amount**") together with interest on the unpaid Principal Amount as hereinafter provided.

1. Interest Rate. Interest on the Principal Amount shall, for the period from May 1, 2022 until the Maturity Date, be equal to the maximum interest allowed by the Ontario Energy Board ("**OEB**"), based upon the Deemed Long Term Debt rate issued in the Cost of Capital Parameters for the year in which cost-based rates are approved to commence or any other regulation, schedule or document prepared and enacted by the OEB, any successors to the OEB or any other entity with regulatory authority for utilities in the Province of Ontario (the "**Interest Rate**"). The current Interest Rate as set by the OEB is three and forty-nine hundredths per cent (3.49%) per annum. In the event of a change in the Interest Rate as determined by this paragraph, the change shall take effect as of the effective change in the Interest Rate.
2. Payments. Interest-only payments shall be made on the note at the Interest Rate as referred to above. Interest shall be calculated annually and payable quarterly commencing on July 1, 2022 to and including May 1, 2032. Payment shall be in a form and content satisfactory to the Holder.
3. Early Repayment. The Corporation shall have the right to make early payment of all or a portion of the amount outstanding to the Holder prior to the Maturity Date upon the Corporation providing the Holder a minimum of ninety (90) days' written notice of their intention to do so.
4. Sale of Corporation. In the event that the Corporation is sold, either as a whole or by transfer of a controlling portion, or otherwise disposed of, the balance of principal and any accrued interest of this Note shall, at the option of the holder, be immediately payable to the Holder.
5. Prior to May 1, 2022, and prior to any subsequent change to the Interest Rate pursuant to Paragraph 1 above, the Corporation will forthwith provide to the Holder documentation from the OEB (or any applicable successor body) confirming the applicable Interest Rate.
6. The Corporation acknowledges that this Note has been issued for business purposes within the meaning of the Limitations Act, 2002 (Ontario), and agrees that any limitation period applicable to this Note (other than the ultimate limitation period provided for in section 15 of the said Act) is suspended and shall not apply to this Note or the obligations of the Corporation hereunder.

7. No modification or amendment to this Note may be made unless agreed to in writing by the Holder and the Corporation. The Corporation may not assign this Note nor any rights or obligations arising hereunder without the prior written consent of the Holder. No waiver of any default by the Corporation shall be effective or binding unless made in writing by the Holder, and unless otherwise expressly stated in such written waiver, shall be limited to the specific default waived. The waiver of any default does not imply or constitute a continuing waiver or a waiver of future defaults.

IN WITNESS WHEREOF the Corporation has caused this Promissory Note to be signed under its corporate seal by its duly authorized officers as of this 1st day of May, 2022.

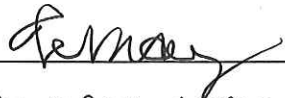
OTTAWA RIVER POWER CORPORATION

By:  _____

Name: Justin Allen

Title: President and CEO

MUNICIPALITY

By:  _____

Name: MICHAEL LEMAIRE

Title: MAYOR


Terry Lapierre
CAO

1
2

5.7.2 APPENDIX 5B - PROMISSORY NOTE – 2022-2032 – KHR

PROMISSORY NOTE

Maturity Date: May 1, 2032 (ten (10) years from the date hereof)
Principal Amount: \$172,348.00

Reference is made to the transfer of assets identified in Transfer By-law 20-2000.

FOR VALUE RECEIVED, the Ottawa River Power Corporation (the "Corporation"), hereby promises to pay to or to the order of the Corporation of the Township of Killaloe, Hagarty and Richards (the "Holder"), in lawful money of Canada, on May 1, 2032 (the "Maturity Date") at the principal office of the Holder, the principal amount of ONE HUNDRED SEVENTY-TWO THOUSAND THREE HUNDRED FORTY-EIGHT Dollars (\$172,348.00) (the "Principal Amount") together with interest on the unpaid Principal Amount as hereinafter provided.

1. Interest Rate. Interest on the Principal Amount shall, for the period from May 1, 2022 until the Maturity Date, be equal to the maximum interest allowed by the Ontario Energy Board ("OEB"), based upon the Deemed Long Term Debt rate issued in the Cost of Capital Parameters for the year in which cost-based rates are approved to commence or any other regulation, schedule or document prepared and enacted by the OEB, any successors to the OEB or any other entity with regulatory authority for utilities in the Province of Ontario (the "Interest Rate"). The current Interest Rate as set by the OEB is three and forty-nine hundredths per cent (3.49%) per annum. In the event of a change in the Interest Rate as determined by this paragraph, the change shall take effect as of the effective change in the Interest Rate.
2. Payments. Interest-only payments shall be made on the note at the Interest Rate as referred to above. Interest shall be calculated annually and payable quarterly commencing on July 1, 2022 to and including May 1, 2032. Payment shall be in a form and content satisfactory to the Holder.
3. Early Repayment. The Corporation shall have the right to make early payment of all or a portion of the amount outstanding to the Holder prior to the Maturity Date upon the Corporation providing the Holder a minimum of ninety (90) days' written notice of their intention to do so.
4. Sale of Corporation. In the event that the Corporation is sold, either as a whole or by transfer of a controlling portion, or otherwise disposed of, the balance of principal and any accrued interest of this Note shall, at the option of the holder, be immediately payable to the Holder.
5. Prior to May 1, 2022, and prior to any subsequent change to the Interest Rate pursuant to Paragraph 1 above, the Corporation will forthwith provide to the Holder documentation from the OEB (or any applicable successor body) confirming the applicable Interest Rate.
6. The Corporation acknowledges that this Note has been issued for business purposes within the meaning of the Limitations Act, 2002 (Ontario), and agrees that any limitation period applicable to this Note (other than the ultimate limitation period provided for in section 15 of the said Act) is suspended and shall not apply to this Note or the obligations of the Corporation hereunder.

7. No modification or amendment to this Note may be made unless agreed to in writing by the Holder and the Corporation. The Corporation may not assign this Note nor any rights or obligations arising hereunder without the prior written consent of the Holder. No waiver of any default by the Corporation shall be effective or binding unless made in writing by the Holder, and unless otherwise expressly stated in such written waiver, shall be limited to the specific default waived. The waiver of any default does not imply or constitute a continuing waiver or a waiver of future defaults.

IN WITNESS WHEREOF the Corporation has caused this Promissory Note to be signed under its corporate seal by its duly authorized officers as of this 1st day of May, 2022.

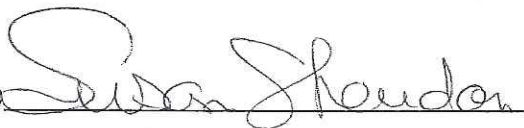
OTTAWA RIVER POWER CORPORATION

By: 

Name: Justin Allen

Title: President and CEO

MUNICIPALITY

By: 

Name: Susan Sheridan

Title: CAO Clerk-Treasurer

1 **5.7.3 APPENDIX 5C - PROMISSORY NOTE – 2022-2032 – MISSISSIPPI MILLS**

2

PROMISSORY NOTE

Maturity Date: May 1, 2032 (ten (10) years from the date hereof)
Principal Amount: \$902,490.00

Reference is made to the transfer of assets identified in Transfer By-law 103.

FOR VALUE RECEIVED, the Ottawa River Power Corporation (the "Corporation"), hereby promises to pay to or to the order of the Corporation of the Municipality of Mississippi Mills (the "Holder"), in lawful money of Canada, on May 1, 2032 (the "Maturity Date") at the principal office of the Holder, the principal amount of NINE HUNDRED TWO THOUSAND FOUR HUNDRED NINETY Dollars (\$902,490.00) (the "Principal Amount") together with interest on the unpaid Principal Amount as hereinafter provided.

1. Interest Rate. Interest on the Principal Amount shall, for the period from May 1, 2022 until the Maturity Date, be equal to the maximum interest allowed by the Ontario Energy Board ("OEB"), based upon the Deemed Long Term Debt rate issued in the Cost of Capital Parameters for the year in which cost-based rates are approved to commence or any other regulation, schedule or document prepared and enacted by the OEB, any successors to the OEB or any other entity with regulatory authority for utilities in the Province of Ontario (the "Interest Rate"). The current Interest Rate as set by the OEB is three and forty-nine hundredths per cent (3.49%) per annum. In the event of a change in the Interest Rate as determined by this paragraph, the change shall take effect as of the effective change in the Interest Rate.
2. Payments. Interest-only payments shall be made on the note at the Interest Rate as referred to above. Interest shall be calculated annually and payable quarterly commencing on July 1, 2022 to and including May 1, 2032. Payment shall be in a form and content satisfactory to the Holder.
3. Early Repayment. The Corporation shall have the right to make early payment of all or a portion of the amount outstanding to the Holder prior to the Maturity Date upon the Corporation providing the Holder a minimum of ninety (90) days' written notice of their intention to do so.
4. Sale of Corporation. In the event that the Corporation is sold, either as a whole or by transfer of a controlling portion, or otherwise disposed of, the balance of principal and any accrued interest of this Note shall, at the option of the Holder, be immediately payable to the Holder.
5. Prior to May 1, 2022, and prior to any subsequent change to the Interest Rate pursuant to Paragraph 1 above, the Corporation will forthwith provide to the Holder documentation from the OEB (or any applicable successor body) confirming the applicable Interest Rate.
6. The Corporation acknowledges that this Note has been issued for business purposes within the meaning of the Limitations Act, 2002 (Ontario), and agrees that any limitation period applicable to this Note (other than the ultimate limitation period provided for in section 15 of the said Act) is suspended and shall not apply to this Note or the obligations of the Corporation hereunder.

7. No modification or amendment to this Note may be made unless agreed to in writing by the Holder and the Corporation. The Corporation may not assign this Note nor any rights or obligations arising hereunder without the prior written consent of the Holder. No waiver of any default by the Corporation shall be effective or binding unless made in writing by the Holder, and unless otherwise expressly stated in such written waiver, shall be limited to the specific default waived. The waiver of any default does not imply or constitute a continuing waiver or a waiver of future defaults.

IN WITNESS WHEREOF the Corporation has caused this Promissory Note to be signed under its corporate seal by its duly authorized officers as of this 1st day of May, 2022.

OTTAWA RIVER POWER CORPORATION

By: _____

Name: Justin Allen

Title: President & CEO

**THE CORPORATION OF THE MUNICIPALITY
OF MISSISSIPPI MILLS**

By: _____

Name: Jeanne Harfield

Title: Clerk

1 **5.7.4 APPENDIX 5D - PROMISSORY NOTE – 2022-2032 – WHITEWATER REGION**

2

PROMISSORY NOTE

Maturity Date: May 1, 2032 (ten (10) years from the date hereof)
Principal Amount: \$147,000.00

Reference is made to the transfer of assets identified in Transfer By-law 726.

FOR VALUE RECEIVED, the Ottawa River Power Corporation (the "**Corporation**"), hereby promises to pay to or to the order of the Corporation of the Township of Whitewater Region (the "**Holder**"), in lawful money of Canada, on May 1, 2032 (the "**Maturity Date**") at the principal office of the Holder, the principal amount of ONE HUNDRED FORTY-SEVEN THOUSAND Dollars (\$147,000.00) (the "**Principal Amount**") together with interest on the unpaid Principal Amount as hereinafter provided.

1. Interest Rate. Interest on the Principal Amount shall, for the period from May 1, 2022 until the Maturity Date, be equal to the maximum interest allowed by the Ontario Energy Board ("**OEB**"), based upon the Deemed Long Term Debt rate issued in the Cost of Capital Parameters for the year in which cost-based rates are approved to commence or any other regulation, schedule or document prepared and enacted by the OEB, any successors to the OEB or any other entity with regulatory authority for utilities in the Province of Ontario (the "**Interest Rate**"). The current Interest Rate as set by the OEB is three and forty-nine hundredths per cent (3.49%) per annum. In the event of a change in the Interest Rate as determined by this paragraph, the change shall take effect as of the effective change in the Interest Rate.
2. Payments. Interest-only payments shall be made on the note at the Interest Rate as referred to above. Interest shall be calculated annually and payable quarterly commencing on July 1, 2022 to and including May 1, 2032. Payment shall be in a form and content satisfactory to the Holder.
3. Early Repayment. The Corporation shall have the right to make early payment of all or a portion of the amount outstanding to the Holder prior to the Maturity Date upon the Corporation providing the Holder a minimum of ninety (90) days' written notice of their intention to do so.
4. Sale of Corporation. In the event that the Corporation is sold, either as a whole or by transfer of a controlling portion, or otherwise disposed of, the balance of principal and any accrued interest of this Note shall, at the option of the holder, be immediately payable to the Holder.
5. Prior to May 1, 2022, and prior to any subsequent change to the Interest Rate pursuant to Paragraph 1 above, the Corporation will forthwith provide to the Holder documentation from the OEB (or any applicable successor body) confirming the applicable Interest Rate.
6. The Corporation acknowledges that this Note has been issued for business purposes within the meaning of the Limitations Act, 2002 (Ontario), and agrees that any limitation period applicable to this Note (other than the ultimate limitation period provided for in section 15 of the said Act) is suspended and shall not apply to this Note or the obligations of the Corporation hereunder.
7. No modification or amendment to this Note may be made unless agreed to in writing

by the Holder and the Corporation. The Corporation may not assign this Note nor any rights or obligations arising hereunder without the prior written consent of the Holder. No waiver of any default by the Corporation shall be effective or binding unless made in writing by the Holder, and unless otherwise expressly stated in such written waiver, shall be limited to the specific default waived. The waiver of any default does not imply or constitute a continuing waiver or a waiver of future defaults.

IN WITNESS WHEREOF the Corporation has caused this Promissory Note to be signed under its corporate seal by its duly authorized officers as of this 1st day of May, 2022.

OTTAWA RIVER POWER CORPORATION

By:  _____

Name: Justin Allen

Title: President & CEO

MUNICIPALITY

By:  _____

Name: Sean Crozier

Title: Treasurer/Deputy CAO