



Exhibit 5:

COST OF CAPITAL AND RATE OF RETURN



1

CAPITAL STRUCTURE

2 5.1.1 Overview

3 The purpose of this evidence is to summarize ETPL's capital structure, the method and the cost
4 of financing its capital requirements for the 2018 Test Year.

5 ETPL has followed the Report of the Board on *Cost of Capital for Ontario's Regulated Utilities*
6 (the "**Cost of Capital Report**") dated December 11, 2009, to determine its capital structure. In
7 preparing the evidence, it relied on the Board's letter titled *Cost of Capital Parameter Updates*
8 *for 2017 Cost of Service and Customer Incentive Rate-setting Applications* dated October 27,
9 2016 for the cost of capital parameters. ETPL intends to update this Application and these
10 rates following the Board's issuance of the 2018 Cost of Capital Parameter Updates.

11 ETPL has prepared this Application with a deemed capital structure of 56% Long Term Debt,
12 4% Short Term Debt and 40% Equity to comply with the Cost of Capital Report. This structure
13 has not changed from EB-2012-0121. ETPL's existing debt and equity mix approximates the
14 deemed capital structure and no significant changes in this mix are expected during the rate
15 period. ETPL does not anticipate that any additional external funding will be required from
16 third parties.

17 **TABLE 5-1 2012 Board Approved and 2018 Test Year Capital Structure**

Item	Capital Structure	2012 Board Approved	2012 Board Approved	2018 Test Year	2018 Test Year
Short Term Debt	4%	2.08%	\$26,181	1.76%	\$28,368
Long Term Debt	56%	4.41%	\$777,121	3.72%	\$839,447
Return on Equity	40%	9.12%	\$1,147,934	8.78%	\$1,415,197
Cost of Capital		6.20%	\$1,951,236	5.67%	\$2,283,013

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19 Overall, ETPL is requesting a deemed interest expense of \$867,816 and a deemed return on
20 equity of \$1,415,197 for a total regulated cost of capital of \$2,283,013 for its 2018 Test Year.



1 The total debt plus equity for the 2018 Test Year is \$40,296,054 as compared to the 2012
 2 Board Approved amount of \$31,467,480 representing an increase of \$8,828,574. This
 3 represents an aggregate increase of 28.1% and an average annual increase of 4.68%.

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5 5.1.2 Details of the 2012 Board Approved

6 As described in Exhibit 1, ETPL's last Cost of Service application (EB-2012-0121) was filed for
 7 2012 rates which was the first comprehensive application following the amalgamation of
 8 ETPL with Clinton and West Perth. The following Capital Structure-Table 5-2 was approved in
 9 the Settlement Agreement dated November 2nd, 2012:

10 **TABLE 5-2: ETPL APPROVED CAPITAL STRUCTURE EB-2012-0121**

LINE No.	Description	Per Board Decision - EB-2012-0121			
		Capitalization Ratio		Cost Rate	Return \$
		%	\$		
1	Debt				
2	Long Term Debt	56.00%	\$ 17,621,789	4.41%	\$ 777,121
3	Short Term Debt	4.00%	\$ 1,258,699	2.08%	\$ 26,181
4	Total Debt	60.00%	\$ 18,880,488	4.25%	\$ 803,302
5	Equity				
6	Common Equity	40.00%	\$ 12,586,992	9.1%	\$ 1,147,934
7	Preferred Shares	0.00%	\$ -	0.0%	\$ -
8	Total Equity	40.00%	\$ 12,586,992	\$ 0	\$ 1,147,934
9	Total	100.0%	\$ 31,467,480	6.20%	\$ 1,951,236

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COST OF CAPITAL

5.2.1 Cost of Debt: Long Term

ETPL is requesting a return on long term debt for the 2018 Test Year of 3.72% as all actual long term debt is with related parties. This rate is based upon the Board's letter titled *Cost of Capital Parameter Updates for 2017 Cost of Service and Customer Rate-setting Applications* Dated October 27th, 2016 for the cost of capital parameters. ETPL acknowledges the rate is subject to update at such time as the 2018 Cost of Capital parameters are issued by the Board.

ETPL's long term debt is comprised of a number of notes from related parties. ETPL has a long term note payable with each of the 8 municipal shareholders of ERTH Corp., ETPL's parent company. This debt

was put into place upon the incorporation of the former Erie Thames Power Corp. on September 20,

2000, based on the Transfer Bylaw. The terms of this debt are:

- Interest will be paid at 7.25%;
- Promissory notes have no expiry and
- No set repayment terms

A copy these notes are included in Attachments 5-A to 5-H.

The remainder of ETPL's long term debt is comprised of notes from ERTH Corp, see Attachment 5-I. The terms of these notes are subject to the same terms as the debt from the municipalities. ERTH Corp. has not needed to access third party debt in order to provide long-term debt to ETPL. Consistent with Board Appendix 2-OB, Table 5-3 lists the outstanding debt for ETPL from 2012 through the 2018 Test Year. A copy of Appendix 2-OB can be found in Attachment 5-J. Notwithstanding the actual weighted average debt rate shown in the Table



1 5-3 for 2017 of 7.25%, ETPL is requesting a return on long term debt for the 2018 Test Year of
2 3.72% consistent with the Board's policies.

3 This rate is based upon the Board's letter titled *Cost of Capital Parameter Updates for 2017*
4 *Cost of Service and Customer Rate-setting Applications* Dated October 27th, 2016 for the cost
5 of capital parameters. As noted above, ETPL acknowledges the rate is subject to update at
6 such time as the 2018 cost of capital parameters are issued by the Board.

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1 TABLE 5-3: ETPL Debt
 2 Instruments

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable Rate	Start Date	Term (Years)	Principal (\$)	Rate (%)	Interest (\$)	
1	2012 Actual									
2	Promissory Note	Municipality of West Perth	Affiliated	Fixed Rate	02-Apr-04	Demand	\$2,083,391	7.25%	\$151,045.85	
3	Promissory Note	Municipality of Central Elgin	Affiliated	Fixed Rate	02-Apr-04	Demand	\$806,436	7.25%	\$58,466.61	
4	Promissory Note	Township of East Zorra-Tavistock	Affiliated	Fixed Rate	02-Apr-04	Demand	\$569,073	7.25%	\$41,257.79	
5	Promissory Note	Township of South-West Oxford	Affiliated	Fixed Rate	02-Apr-04	Demand	\$192,062	7.25%	\$13,924.50	
6	Promissory Note	Corporation of the Town of Aylmer	Affiliated	Fixed Rate	02-Apr-04	Demand	\$1,694,863	7.25%	\$122,877.57	
7	Promissory Note	Town of Ingersoll	Affiliated	Fixed Rate	02-Apr-04	Demand	\$3,402,080	7.25%	\$246,650.80	
8	Promissory Note	Township of Norwich	Affiliated	Fixed Rate	02-Apr-04	Demand	\$763,755	7.25%	\$55,372.24	
9	Promissory Note	Township of Zorra	Affiliated	Fixed Rate	02-Apr-04	Demand	\$610,255	7.25%	\$44,243.49	
10	Total						\$10,121,915		\$733,839	
11	2013 Actual									
12	Promissory Note	Municipality of West Perth	Affiliated	Fixed Rate	02-Apr-04	Demand	\$2,083,391	7.25%	\$151,045.85	
13	Promissory Note	Municipality of Central Elgin	Affiliated	Fixed Rate	02-Apr-04	Demand	\$806,436	7.25%	\$58,466.61	
14	Promissory Note	Township of East Zorra-Tavistock	Affiliated	Fixed Rate	02-Apr-04	Demand	\$569,073	7.25%	\$41,257.79	
15	Promissory Note	Township of South-West Oxford	Affiliated	Fixed Rate	02-Apr-04	Demand	\$192,062	7.25%	\$13,924.50	
16	Promissory Note	Corporation of the Town of Aylmer	Affiliated	Fixed Rate	02-Apr-04	Demand	\$1,694,863	7.25%	\$122,877.57	
17	Promissory Note	Town of Ingersoll	Affiliated	Fixed Rate	02-Apr-04	Demand	\$3,402,080	7.25%	\$246,650.80	
18	Promissory Note	Township of Norwich	Affiliated	Fixed Rate	02-Apr-04	Demand	\$763,755	7.25%	\$55,372.24	
19	Promissory Note	Township of Zorra	Affiliated	Fixed Rate	02-Apr-04	Demand	\$610,255	7.25%	\$44,243.49	
20	Total						\$10,121,915		\$733,839	
21	2014 Actual									
22	Promissory Note	Municipality of West Perth	Affiliated	Fixed Rate	02-Apr-04	Demand	\$2,083,391	7.25%	\$151,045.85	
23	Promissory Note	Municipality of Central Elgin	Affiliated	Fixed Rate	02-Apr-04	Demand	\$806,436	7.25%	\$58,466.61	
24	Promissory Note	Township of East Zorra-Tavistock	Affiliated	Fixed Rate	02-Apr-04	Demand	\$569,073	7.25%	\$41,257.79	
25	Promissory Note	Township of South-West Oxford	Affiliated	Fixed Rate	02-Apr-04	Demand	\$192,062	7.25%	\$13,924.50	
26	Promissory Note	Corporation of the Town of Aylmer	Affiliated	Fixed Rate	02-Apr-04	Demand	\$1,694,863	7.25%	\$122,877.57	
27	Promissory Note	Town of Ingersoll	Affiliated	Fixed Rate	02-Apr-04	Demand	\$3,402,080	7.25%	\$246,650.80	
28	Promissory Note	Township of Norwich	Affiliated	Fixed Rate	02-Apr-04	Demand	\$763,755	7.25%	\$55,372.24	
29	Promissory Note	Township of Zorra	Affiliated	Fixed Rate	02-Apr-04	Demand	\$610,255	7.25%	\$44,243.49	
30	Total						\$10,121,915		\$733,839	
31	2015 Actual									
32	Promissory Note	Municipality of West Perth	Affiliated	Fixed Rate	02-Apr-04	Demand	\$2,083,391	7.25%	\$151,045.85	
33	Promissory Note	Municipality of Central Elgin	Affiliated	Fixed Rate	02-Apr-04	Demand	\$806,436	7.25%	\$58,466.61	
34	Promissory Note	Township of East Zorra-Tavistock	Affiliated	Fixed Rate	02-Apr-04	Demand	\$569,073	7.25%	\$41,257.79	
35	Promissory Note	Township of South-West Oxford	Affiliated	Fixed Rate	02-Apr-04	Demand	\$192,062	7.25%	\$13,924.50	
36	Promissory Note	Corporation of the Town of Aylmer	Affiliated	Fixed Rate	02-Apr-04	Demand	\$1,694,863	7.25%	\$122,877.57	
37	Promissory Note	Town of Ingersoll	Affiliated	Fixed Rate	02-Apr-04	Demand	\$3,402,080	7.25%	\$246,650.80	
38	Promissory Note	Township of Norwich	Affiliated	Fixed Rate	02-Apr-04	Demand	\$763,755	7.25%	\$55,372.24	
39	Promissory Note	Township of Zorra	Affiliated	Fixed Rate	02-Apr-04	Demand	\$610,255	7.25%	\$44,243.49	
40	Promissory Note	ERTH Corporation	Affiliated	Fixed	12-31-2015	NA	\$10,000,000.00	2.50%	\$250,000.00	
41	Total						\$20,121,915		\$983,839	
42	2017 Bridge									
43	Promissory Note	Municipality of West Perth	Affiliated	Fixed Rate	02-Apr-04	Demand	\$2,083,391	7.25%	\$151,045.85	
44	Promissory Note	Municipality of Central Elgin	Affiliated	Fixed Rate	02-Apr-04	Demand	\$806,436	7.25%	\$58,466.61	
45	Promissory Note	Township of East Zorra-Tavistock	Affiliated	Fixed Rate	02-Apr-04	Demand	\$569,073	7.25%	\$41,257.79	
46	Promissory Note	Township of South-West Oxford	Affiliated	Fixed Rate	02-Apr-04	Demand	\$192,062	7.25%	\$13,924.50	
47	Promissory Note	Corporation of the Town of Aylmer	Affiliated	Fixed Rate	02-Apr-04	Demand	\$1,694,863	7.25%	\$122,877.57	
48	Promissory Note	Town of Ingersoll	Affiliated	Fixed Rate	02-Apr-04	Demand	\$3,402,080	7.25%	\$246,650.80	
49	Promissory Note	Township of Norwich	Affiliated	Fixed Rate	02-Apr-04	Demand	\$763,755	7.25%	\$55,372.24	
50	Promissory Note	Township of Zorra	Affiliated	Fixed Rate	02-Apr-04	Demand	\$610,255	7.25%	\$44,243.49	
51	Promissory Note	ERTH Corporation	Affiliated	Fixed	12-31-2015	NA	\$10,000,000.00	2.50%	\$250,000.00	
52	Promissory Note	ERTH Corporation	Affiliated	Fixed	12-31-2017	NA	\$1,650,000.00	2.50%	\$41,250.00	
53	Total						\$21,771,915		\$1,025,089	
54	2018 Test									
55	Promissory Note	Municipality of West Perth	Affiliated	Fixed Rate	02-Apr-04	Demand	\$2,083,391	7.25%	\$151,045.85	
56	Promissory Note	Municipality of Central Elgin	Affiliated	Fixed Rate	02-Apr-04	Demand	\$806,436	7.25%	\$58,466.61	
57	Promissory Note	Township of East Zorra-Tavistock	Affiliated	Fixed Rate	02-Apr-04	Demand	\$569,073	7.25%	\$41,257.79	
58	Promissory Note	Township of South-West Oxford	Affiliated	Fixed Rate	02-Apr-04	Demand	\$192,062	7.25%	\$13,924.50	
59	Promissory Note	Corporation of the Town of Aylmer	Affiliated	Fixed Rate	02-Apr-04	Demand	\$1,694,863	7.25%	\$122,877.57	
60	Promissory Note	Town of Ingersoll	Affiliated	Fixed Rate	02-Apr-04	Demand	\$3,402,080	7.25%	\$246,650.80	
61	Promissory Note	Township of Norwich	Affiliated	Fixed Rate	02-Apr-04	Demand	\$763,755	7.25%	\$55,372.24	
62	Promissory Note	Township of Zorra	Affiliated	Fixed Rate	02-Apr-04	Demand	\$610,255	7.25%	\$44,243.49	
63	Promissory Note	ERTH Corporation	Affiliated	Fixed	12-31-2015	NA	\$10,000,000.00	2.50%	\$250,000.00	
64	Promissory Note	ERTH Corporation	Affiliated	Fixed	12-31-2017	NA	\$1,650,000.00	2.50%	\$41,250.00	
65	Promissory Note	ERTH Corporation	Affiliated	Fixed	12-31-2018	NA	\$1,750,000.00	2.50%	\$43,750.00	
66	Total						\$23,521,915		\$1,068,839	

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2 **5.2.2 Cost of Debt: Short Term**

3 For the purposes of preparing this Application, ETPL has utilized the Deemed Short-Term Debt
4 Rate of 1.76% as issued by the Board on October 27th, 2016 in the *Cost of Capital Parameter*
5 *Updates for 2017 Cost of Service and Customer Rate-setting Applications*. ETPL acknowledges
6 this rate is subject to update at such time as the 2018 Cost of Capital parameters are issued by
7 the Board. The amount included in rates has decreased from \$44k 2012 BAP to \$26k in 2018
8 Test Year.

9 ETPL's actual short term debt rate is variable based on prime plus. Both of ETPL's
10 actual short-term borrowing limit (overdraft) and annual interest expense on this short-
11 term debt has increased from a limit of \$6M and cost of \$44K in 2012 to a limit of
12 \$10M and cost of \$182K in 2016. This has primarily been a result of the need to meet
13 additional cash flow fluctuations resulting from higher and increasingly variable Global
14 Adjustment and other payments to the IESO. It is also important to note that ETPL
15 has been informed by its Financial Institution that its Short-term interest rates are
16 forecasted to increase.

17 **5.2.3 Return on Equity**

18 For purposes of preparing this Application, ETPL has used the cost of capital parameters
19 issued by the Board on October 27th, 2016 for 2017 COS rate applications which reflects a
20 return on equity of 8.78%. ETPL understands that this rate will be updated once the 2018 cost
21 of capital parameters are issued by the Board.

22 **5.2.4 Profit or Loss on Redemption of Debt and/or Preference** 23 **Shares**

24 This is not applicable as ETPL does not have any preference shares, nor did it redeem any
25 debt.



1 **5.2.5 Notional Debt**

2 There is no notional debt. ETPL's actual long term debt amount exceeds the deemed amount
 3 in the 2018 Test Year. For 2018, the amount of actual long term debt of \$23,121,915 is
 4 slightly greater than the deemed long term debt amount of \$22,568,968 (see below) by
 5 \$552,947 and therefore there is no notional debt.

6 **5.2.6 Weighted Average Cost of Capital**

7 Consistent with Board Appendix 2-OA, Table 5-4 below demonstrates the elements of the
 8 Capital Structure and Cost of Capital for the 2018 Test Year. A copy of Board Appendix 2-OA
 9 can be found in Attachment 5-K of this Exhibit. For 2018, the Weighted Average Cost of
 10 Capital of 5.67% will be applied to the Rate Base of \$40,296,054, which is explained in Exhibit
 11 2, to determine a Return on Rate Base of \$2,283,013.

12 **TABLE 5-4: ETPL Cost of Capital 2018 Test Year**

Particulars	Capitalization Ratio		Cost Rate	Return
	Initial Application			
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	\$22,565,790	3.72%	\$839,447
Short-term Debt	4.00%	\$1,611,842	1.76%	\$28,368
Total Debt	60.00%	\$24,177,633	3.59%	\$867,816
Equity				
Common Equity	40.00%	\$16,118,422	8.78%	\$1,415,197
Preferred Shares	0.00%	\$ -	0.00%	\$ -
Total Equity	40.00%	\$16,118,422	8.78%	\$1,415,197
Total	100.00%	\$40,296,054	5.67%	\$2,283,013



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NOT-FOR-PROFIT CORPORATIONS

2 Not applicable.



Exhibit 5: Cost Of Capital And Rate Of Return

Tab 4 (of 4): Exhibit 5 Appendices



Erie Thames Powerlines
Filed: 15 September, 2017
EB-2017-0038
Exhibit 5
Tab 4
Schedule 1
Attachment 1
Page 1 of 1

Attachment 1 (of 11):

5-A Central Elgin Promissory Note


ACKNOWLEDGEMENT OF RECEIPT – Promissory Notes

Shareholder: **The Corporation of the Municipality of Central Elgin**

I HEREBY ACKNOWLEDGE THE RECEIPT OF THE FOLLOWING SIGNED DOCUMENTS:

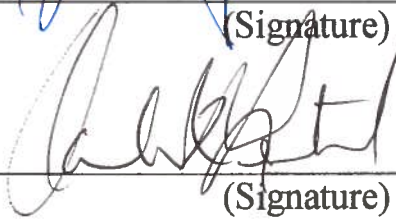
- 1) Promissory Note – Erie Thames Power Corporation in the amount of \$59,981
- 2) Promissory Note – Erie Thames Services Corporation in the amount of \$210,583
- 3) Promissory Note – Erie Thames Powerlines Corporation in the amount of \$806,436

Documents delivered by: _____



(Signature)

Documents received by: _____



(Signature)

DONALD N. LEITCH, CAO

(Printed name/title)

Date: _____

JANUARY 10, 2002

PROMISSORY NOTE

FOR VALUE RECEIVED, Erie Thames Powerlines Corporation (the "Corporation") hereby promises to pay to or to the order of The Corporation of the Municipality of Central Elgin (the "Holder") the principal sum (the "Principal") of Eight Hundred and Six Thousand Four Hundred and Thirty Six dollars (\$806,436.00) with interest at the rate specified herein, on a date which is no later than eighteen (18) months from the date of demand in writing by the Holder (the "Maturity Date").

Capitalized terms used and not otherwise defined herein have the respective meanings set out in Schedule "A".

The outstanding principal sum of this Promissory Note shall bear interest from time to time at the Interest Rate calculated quarterly not in advance. Interest at the Interest Rate shall accrue from the Interest Commencement Date until the principal sum is paid in full, with interest on overdue interest at the said rate. Interest at the Interest Rate shall be payable in quarterly instalments with the first of such payments commencing three (3) months following the Interest Commencement Date, provided that the Holder may elect to waive payment of interest in its sole discretion.

The Principal is convertible at the option of the Corporation into fully paid and non-assessable Class B Shares in the capital of the Corporation as presently constituted at the Conversion Price all subject to the terms and conditions set forth in Schedule "B". Upon such conversion the Holder shall surrender this Promissory Note to the Corporation at its principal offices.

The right is reserved to the Corporation, subject to the terms and conditions set out in Schedule "B", to purchase this Promissory Note at any time or times by tender or by private contract.

At the option of the Corporation, on one month's prior written notice to the Holder, the Maturity Date and any of the terms of this Promissory Note may be revised, changed or restated by the Corporation.

This Promissory Note is not assignable by the Holder without the consent of the Corporation.

DATED as of the 1st Day of September, 2000.

ERIE THAMES POWERLINES CORPORATION

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

SCHEDULE "A"

Definitions

"Business Combination" means (i) a transaction or series of transaction in which, directly or indirectly, the Corporation shall consolidate, merge with, amalgamate with or enter into a statutory agreement with , any other person (other than a wholly owned subsidiary of the Corporation) and in connection therewith , all of the outstanding Shares shall be changed in any way, reclassified or converted into or exchanged for shares or other securities of the Corporation or of any other person, or cash or any other property or (ii) a transaction or series of transaction in which, directly or indirectly, the Corporation shall sell or otherwise transfer property or assets that aggregate more than 50% of the property or assets of the Corporation or generated during the Corporation's last completed fiscal year more than 50% of the operating income or cash flow of the Corporation and its subsidiaries (taken as a whole) to any other person or persons.

"Conversion Price" has the meaning ascribed thereto in subsection 1(a) of Schedule "B".

"Interest Commencement Date" means the earlier of (i) the date that the Corporation is required to make payments under section 93 of the *Electricity Act, 1998* and (ii) the date that is designated by the board of directors of the Corporation as such date.

"Interest Rate" means the interest rate payable as provided in this Promissory Note on the principal amount hereof that the board of directors of the Corporation shall, from time to time, determine and of which the board of directors of the Corporation shall notify the Holder in writing.

SCHEDULE "B"

Conversion of Promissory Note

1. Conversion of Promissory Note into Shares

- (a) Upon and subject to the provisions of this Schedule "B", the Corporation shall have the right, at its option, at any time and prior to the Maturity Date, to convert the whole or any part which is \$5,000.00 or an integral multiple thereof, of the principal amount of this Promissory Note into fully paid and non-assessable Class B Shares (the "Shares") of the Corporation at a conversion rate equal to a number of Shares having a fair market value of \$5,000 for each \$5,000 of principal so converted (the "Conversion Price") plus payment of accrued and unpaid interest in respect of the principal so converted up to and including the date of such conversion. The Holder of this Promissory Note shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder certificate(s) representing fully paid and non-assessable Shares as provided in this subsection (a).
- (b) The right of conversion pursuant hereto shall extend only to the maximum number of whole Shares into which the aggregate principal amount of this Promissory Note may be converted in accordance with the provisions of subsection (a). Fractional interests in Shares shall be adjusted for in the manner provided herein.
- (c) In case of the reclassification of the Shares at any time outstanding (other than any subdivision or consolidation of Shares into a greater or lesser number of Shares) or change of the Shares into other shares, or in case of a Business Combination of the Debtor (other than a Business Combination which does not result in a reclassification of the outstanding Shares or a change of the Shares into other shares), the Holder if it shall thereafter be converted in whole or in part shall be entitled to receive, and shall accept, in lieu of the number of Shares to which it was theretofore entitled upon such conversion, the kind and amount of shares and other securities or property which such Holder would have been entitled to receive as a result of such Business Combination if on the effective date thereof, it had been the registered holder of the number of Shares to which it was theretofore entitled upon conversion. If necessary, appropriate adjustments shall be made in the application of the provisions set forth in this Schedule "B" with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Schedule "B" shall thereafter correspondingly be made applicable as nearly as may be possible in relation to any shares or other securities or property thereafter deliverable upon the conversion of this Promissory Note. Any such adjustments shall be approved by the directors of the Corporation and shall be set forth in a notice given to the Holder and, absent manifest error, shall for all purposes be conclusively deemed to be an appropriate adjustment.

2. Partial Conversions

- (a) Any part, being the lesser of the principal amount outstanding hereunder and \$5,000.00 or an integral multiple thereof, of a Promissory Note may be converted as provided in this section 2, and all references in this Promissory Note to conversion of Promissory Note shall be deemed to include conversion of any such part.
- (b) The Holder of this Promissory Note of which part only is converted shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder a new Promissory Note in an aggregate principal amount equal to the unconverted part of the principal amount of the Promissory Note so surrendered.

3. Adjustment of Conversion Price

- (a) If and whenever the Corporation shall (i) subdivide or re-divide the outstanding Shares into a greater number of shares; (ii) reduce, or consolidate the outstanding Shares into a smaller number of shares; (iii) issue any Shares (or securities convertible into or exchangeable for Shares) of the Corporation to the holders of all or substantially all of the outstanding Shares by way of a stock dividend, the Conversion Price and the number of Shares reserved for issuance pursuant to the conversion of the Promissory Note in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Shares (or securities convertible into or exchangeable for Shares) by way of a stock dividend, as the case may be, shall be adjusted in the proportion which the number of Shares outstanding before such subdivision, redivision, reduction, combination, consolidation or dividend bears to the number of Shares outstanding after such subdivision, redivision, reduction, combination, consolidation or dividend. Any such issue of Shares by way of a stock dividend shall be deemed to have been made on the record date fixed for such stock dividend for the purpose of calculating the number of outstanding Shares under this subsection (a) and, in the case where securities convertible into or exchangeable for Shares are distributed, shall include the number of Shares that would have been outstanding had such securities been converted into Shares on such record date.
- (b) No adjustment in the Conversion Price or in the number of Shares issuable upon conversion of this Promissory Note will be made in respect of any event described in this section 3 and no distribution shall be made (other than any distributions constituting dividends paid in the ordinary course) to all or substantially all the holders of its outstanding Shares of (I) shares of the Corporation of any class other than Shares; or (ii) rights, options or warrants or other securities of the Corporation which are convertible into or exchangeable for Shares; or (iii) evidences of its indebtedness; or (iv) property or other assets of the Corporation, unless the Holder is entitled to participate in such event on the same terms *mutatis mutandis*, as if it had converted this Promissory Note prior to or on the record date or effective date of such event.

- (c) The adjustments provided for in this section 3 are cumulative, shall in the case of adjustments to the Conversion Price be computed to the nearest one-tenth of one cent and shall apply to successive submissions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this section 3. Notwithstanding any other provision of this section 3, no adjustment of the Conversion Price shall be required in respect of any such event unless such adjustment would require an increase or decrease of at least one per cent in the Conversion Price then in effect. Any adjustments which by reason of the preceding sentence of this subsection 3(c) are not required to be made shall be carried forward and taken into account on any subsequent adjustment.

- (d) If any questions arise with respect to the adjustments provided in this section 3, such questions shall be determined by the Auditor as that term is defined in the Shareholders Agreement among the Corporation, its affiliates, the Corporation of the Township of Norwich, the Corporation of the Township of Zorra, the Corporation of the Township of East Zorra-Tavistock, the Corporation of the Township of South-West Oxford, The Corporation of the Town of Ingersoll, the Corporation of the Town of Aylmer and the Corporation of the Municipality of Central Elgin dated as of August 31, 2000. Such Auditor shall have for such purposes reasonable access during normal business hours to all necessary records of the Corporation and such determination absent manifest error, shall be binding upon the Corporation and the Holder.

4. No Requirement to Issue Fractional Shares

- (a) The Corporation shall not be required to issue fractional Shares upon the conversion of this Promissory Note pursuant to this Schedule "B". If any fractional interest in a Share would, except for the provisions of this section 4, be deliverable upon the conversion of any principal amount of this Promissory Note, the Corporation shall, in lieu of delivering any certificates of such fractional interest, satisfy such fractional interest by paying the Holder of such surrendered Promissory Note an amount of lawful money of Canada equal (computed to the nearest whole cent, and one-half of a cent being rounded up) to the appropriate fraction of the value of a Share on the basis of the Conversion Price.



Erie Thames Powerlines
Filed: 15 September, 2017
EB-2017-0038
Exhibit 5
Tab 4
Schedule 1
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Page 1 of 1

Attachment 2 (of 11):

5-B East Zorra Tavistock Promissory Note

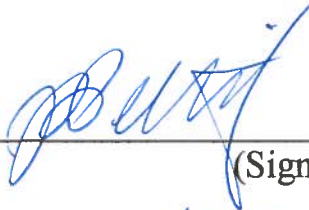
ACKNOWLEDGEMENT OF RECEIPT – Promissory Notes

Shareholder: **Township of East Zorra-Tavistock**

I HEREBY ACKNOWLEDGE THE RECEIPT OF THE FOLLOWING SIGNED DOCUMENTS:


- 1) Promissory Note – Erie Thames Power Corporation in the amount of \$42,326
- 2) Promissory Note – Erie Thames Services Corporation in the amount of \$148,601
- 3) Promissory Note – Erie Thames Powerlines Corporation in the amount of \$569,073

Documents delivered by:



(Signature)

Documents received by:



(Signature)

Jeff Carwell, CAO

(Printed name/title)

Date:

Jan 10, 2002

PROMISSORY NOTE

FOR VALUE RECEIVED, Erie Thames Powerlines Corporation (the "Corporation") hereby promises to pay to or to the order of The Corporation of the Township of East Zorra-Tavistock (the "Holder") the principal sum (the "Principal") of Five Hundred and Sixty Nine Thousand and Seventy Three dollars (\$569,073.00) with interest at the rate specified herein, on a date which is no later than eighteen (18) months from the date of demand in writing by the Holder (the "Maturity Date").

Capitalized terms used and not otherwise defined herein have the respective meanings set out in Schedule "A".

The outstanding principal sum of this Promissory Note shall bear interest from time to time at the Interest Rate calculated quarterly not in advance. Interest at the Interest Rate shall accrue from the Interest Commencement Date until the principal sum is paid in full, with interest on overdue interest at the said rate. Interest at the Interest Rate shall be payable in quarterly instalments with the first of such payments commencing three (3) months following the Interest Commencement Date, provided that the Holder may elect to waive payment of interest in its sole discretion.

The Principal is convertible at the option of the Corporation into fully paid and non-assessable Class B Shares in the capital of the Corporation as presently constituted at the Conversion Price all subject to the terms and conditions set forth in Schedule "B". Upon such conversion the Holder shall surrender this Promissory Note to the Corporation at its principal offices.

The right is reserved to the Corporation, subject to the terms and conditions set out in Schedule "B", to purchase this Promissory Note at any time or times by tender or by private contract.

At the option of the Corporation, on one month's prior written notice to the Holder, the Maturity Date and any of the terms of this Promissory Note may be revised, changed or restated by the Corporation.

This Promissory Note is not assignable by the Holder without the consent of the Corporation.

DATED as of the 1st Day of August, 2000.

ERIE THAMES POWERLINES CORPORATION

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

SCHEDULE "A"

Definitions

"Business Combination" means (i) a transaction or series of transaction in which, directly or indirectly, the Corporation shall consolidate, merge with, amalgamate with or enter into a statutory agreement with , any other person (other than a wholly owned subsidiary of the Corporation) and in connection therewith , all of the outstanding Shares shall be changed in any way, reclassified or converted into or exchanged for shares or other securities of the Corporation or of any other person, or cash or any other property or (ii) a transaction or series of transaction in which, directly or indirectly, the Corporation shall sell or otherwise transfer property or assets that aggregate more than 50% of the property or assets of the Corporation or generated during the Corporation's last completed fiscal year more than 50% of the operating income or cash flow of the Corporation and its subsidiaries (taken as a whole) to any other person or persons.

"Conversion Price" has the meaning ascribed thereto in subsection 1(a) of Schedule "B".

"Interest Commencement Date" means the earlier of (i) the date that the Corporation is required to make payments under section 93 of the *Electricity Act, 1998* and (ii) the date that is designated by the board of directors of the Corporation as such date.

"Interest Rate" means the interest rate payable as provided in this Promissory Note on the principal amount hereof that the board of directors of the Corporation shall, from time to time, determine and of which the board of directors of the Corporation shall notify the Holder in writing.

SCHEDULE "B"

Conversion of Promissory Note

1. Conversion of Promissory Note into Shares

- (a) Upon and subject to the provisions of this Schedule "B", the Corporation shall have the right, at its option, at any time and prior to the Maturity Date, to convert the whole or any part which is \$5,000.00 or an integral multiple thereof, of the principal amount of this Promissory Note into fully paid and non-assessable Class B Shares (the "Shares") of the Corporation at a conversion rate equal to a number of Shares having a fair market value of \$5,000 for each \$5,000 of principal so converted (the "Conversion Price") plus payment of accrued and unpaid interest in respect of the principal so converted up to and including the date of such conversion. The Holder of this Promissory Note shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder certificate(s) representing fully paid and non-assessable Shares as provided in this subsection (a).
- (b) The right of conversion pursuant hereto shall extend only to the maximum number of whole Shares into which the aggregate principal amount of this Promissory Note may be converted in accordance with the provisions of subsection (a). Fractional interests in Shares shall be adjusted for in the manner provided herein.
- (c) In case of the reclassification of the Shares at any time outstanding (other than any subdivision or consolidation of Shares into a greater or lesser number of Shares) or change of the Shares into other shares, or in case of a Business Combination of the Debtor (other than a Business Combination which does not result in a reclassification of the outstanding Shares or a change of the Shares into other shares), the Holder if it shall thereafter be converted in whole or in part shall be entitled to receive, and shall accept, in lieu of the number of Shares to which it was theretofore entitled upon such conversion, the kind and amount of shares and other securities or property which such Holder would have been entitled to receive as a result of such Business Combination if on the effective date thereof, it had been the registered holder of the number of Shares to which it was theretofore entitled upon conversion. If necessary, appropriate adjustments shall be made in the application of the provisions set forth in this Schedule "B" with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Schedule "B" shall thereafter correspondingly be made applicable as nearly as may be possible in relation to any shares or other securities or property thereafter deliverable upon the conversion of this Promissory Note. Any such adjustments shall be approved by the directors of the Corporation and shall be set forth in a notice given to the Holder and, absent manifest error, shall for all purposes be conclusively deemed to be an appropriate adjustment.

2. **Partial Conversions**

- (a) Any part, being the lesser of the principal amount outstanding hereunder and \$5,000.00 or an integral multiple thereof, of a Promissory Note may be converted as provided in this section 2, and all references in this Promissory Note to conversion of Promissory Note shall be deemed to include conversion of any such part.
- (b) The Holder of this Promissory Note of which part only is converted shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder a new Promissory Note in an aggregate principal amount equal to the unconverted part of the principal amount of the Promissory Note so surrendered.

3. **Adjustment of Conversion Price**

- (a) If and whenever the Corporation shall (i) subdivide or re-divide the outstanding Shares into a greater number of shares; (ii) reduce, or consolidate the outstanding Shares into a smaller number of shares; (iii) issue any Shares (or securities convertible into or exchangeable for Shares) of the Corporation to the holders of all or substantially all of the outstanding Shares by way of a stock dividend, the Conversion Price and the number of Shares reserved for issuance pursuant to the conversion of the Promissory Note in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Shares (or securities convertible into or exchangeable for Shares) by way of a stock dividend, as the case may be, shall be adjusted in the proportion which the number of Shares outstanding before such subdivision, redivision, reduction, combination, consolidation or dividend bears to the number of Shares outstanding after such subdivision, redivision, reduction, combination, consolidation or dividend. Any such issue of Shares by way of a stock dividend shall be deemed to have been made on the record date fixed for such stock dividend for the purpose of calculating the number of outstanding Shares under this subsection (a) and, in the case where securities convertible into or exchangeable for Shares are distributed, shall include the number of Shares that would have been outstanding had such securities been converted into Shares on such record date.
- (b) No adjustment in the Conversion Price or in the number of Shares issuable upon conversion of this Promissory Note will be made in respect of any event described in this section 3 and no distribution shall be made (other than any distributions constituting dividends paid in the ordinary course) to all or substantially all the holders of its outstanding Shares of (I) shares of the Corporation of any class other than Shares; or (ii) rights, options or warrants or other securities of the Corporation which are convertible into or exchangeable for Shares; or (iii) evidences of its indebtedness; or (iv) property or other assets of the Corporation, unless the Holder is entitled to participate in such event on the same terms *mutatis mutandis*, as if it had converted this Promissory Note prior to or on the record date or effective date of such event.

- (c) The adjustments provided for in this section 3 are cumulative, shall in the case of adjustments to the Conversion Price be computed to the nearest one-tenth of one cent and shall apply to successive submissions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this section 3. Notwithstanding any other provision of this section 3, no adjustment of the Conversion Price shall be required in respect of any such event unless such adjustment would require an increase or decrease of at least one per cent in the Conversion Price then in effect. Any adjustments which by reason of the preceding sentence of this subsection 3(c) are not required to be made shall be carried forward and taken into account on any subsequent adjustment.
- (d) If any questions arise with respect to the adjustments provided in this section 3, such questions shall be determined by the Auditor as that term is defined in the Shareholders Agreement among the Corporation, its affiliates, the Corporation of the Township of Norwich, the Corporation of the Township of Zorra, the Corporation of the Township of East Zorra-Tavistock, the Corporation of the Township of South-West Oxford, The Corporation of the Town of Ingersoll, the Corporation of the Town of Aylmer and the Corporation of the Municipality of Central Elgin dated as of August 31, 2000. Such Auditor shall have for such purposes reasonable access during normal business hours to all necessary records of the Corporation and such determination absent manifest error, shall be binding upon the Corporation and the Holder.

4. No Requirement to Issue Fractional Shares

- (a) The Corporation shall not be required to issue fractional Shares upon the conversion of this Promissory Note pursuant to this Schedule "B". If any fractional interest in a Share would, except for the provisions of this section 4, be deliverable upon the conversion of any principal amount of this Promissory Note, the Corporation shall, in lieu of delivering any certificates of such fractional interest, satisfy such fractional interest by paying the Holder of such surrendered Promissory Note an amount of lawful money of Canada equal (computed to the nearest whole cent, and one-half of a cent being rounded up) to the appropriate fraction of the value of a Share on the basis of the Conversion Price.



Erie Thames Powerlines
Filed: 15 September, 2017
EB-2017-0038
Exhibit 5
Tab 4
Schedule 1
Attachment 3
Page 1 of 1

Attachment 3 (of 11):

5-C South West Oxford Promissory Note

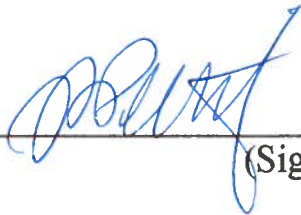
ACKNOWLEDGEMENT OF RECEIPT – Promissory Notes

Shareholder: **Township of South-West Oxford**

I HEREBY ACKNOWLEDGE THE RECEIPT OF THE FOLLOWING SIGNED DOCUMENTS:

- 1) Promissory Note – Erie Thames Power Corporation in the amount of \$14,285
- 2) Promissory Note – Erie Thames Services Corporation in the amount of \$50,153
- 3) Promissory Note – Erie Thames Powerlines Corporation in the amount of \$192,062

Documents delivered by: _____



(Signature)

Documents received by: _____

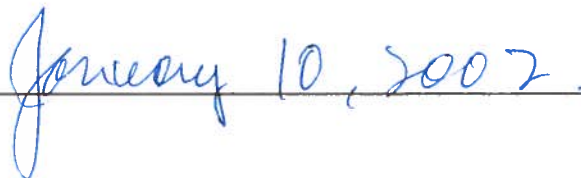


(Signature)

ALLEN FORRESTER, CLERK

(Printed name/title)

Date: _____



PROMISSORY NOTE

FOR VALUE RECEIVED, Erie Thames Powerlines Corporation (the "Corporation") hereby promises to pay to or to the order of The Corporation of the Township of South-West Oxford (the "Holder") the principal sum (the "Principal") of One Hundred and Ninety Two Thousand and Sixty Two dollars (\$192,062.00) with interest at the rate specified herein, on a date which is no later than eighteen (18) months from the date of demand in writing by the Holder (the "Maturity Date").

Capitalized terms used and not otherwise defined herein have the respective meanings set out in Schedule "A".

The outstanding principal sum of this Promissory Note shall bear interest from time to time at the Interest Rate calculated quarterly not in advance. Interest at the Interest Rate shall accrue from the Interest Commencement Date until the principal sum is paid in full, with interest on overdue interest at the said rate. Interest at the Interest Rate shall be payable in quarterly instalments with the first of such payments commencing three (3) months following the Interest Commencement Date, provided that the Holder may elect to waive payment of interest in its sole discretion.

The Principal is convertible at the option of the Corporation into fully paid and non-assessable Class B Shares in the capital of the Corporation as presently constituted at the Conversion Price all subject to the terms and conditions set forth in Schedule "B". Upon such conversion the Holder shall surrender this Promissory Note to the Corporation at its principal offices.

The right is reserved to the Corporation, subject to the terms and conditions set out in Schedule "B", to purchase this Promissory Note at any time or times by tender or by private contract.

At the option of the Corporation, on one month's prior written notice to the Holder, the Maturity Date and any of the terms of this Promissory Note may be revised, changed or restated by the Corporation.

This Promissory Note is not assignable by the Holder without the consent of the Corporation.

DATED as of the 1st Day of September, 2000.

ERIE THAMES POWERLINES CORPORATION

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

SCHEDULE "A"

Definitions

"Business Combination" means (i) a transaction or series of transaction in which, directly or indirectly, the Corporation shall consolidate, merge with, amalgamate with or enter into a statutory agreement with , any other person (other than a wholly owned subsidiary of the Corporation) and in connection therewith , all of the outstanding Shares shall be changed in any way, reclassified or converted into or exchanged for shares or other securities of the Corporation or of any other person, or cash or any other property or (ii) a transaction or series of transaction in which, directly or indirectly, the Corporation shall sell or otherwise transfer property or assets that aggregate more than 50% of the property or assets of the Corporation or generated during the Corporation's last completed fiscal year more than 50% of the operating income or cash flow of the Corporation and its subsidiaries (taken as a whole) to any other person or persons.

"Conversion Price" has the meaning ascribed thereto in subsection 1(a) of Schedule "B".

"Interest Commencement Date" means the earlier of (i) the date that the Corporation is required to make payments under section 93 of the *Electricity Act, 1998* and (ii) the date that is designated by the board of directors of the Corporation as such date.

"Interest Rate" means the interest rate payable as provided in this Promissory Note on the principal amount hereof that the board of directors of the Corporation shall, from time to time, determine and of which the board of directors of the Corporation shall notify the Holder in writing.

SCHEDULE "B"

Conversion of Promissory Note

1. Conversion of Promissory Note into Shares

- (a) Upon and subject to the provisions of this Schedule "B", the Corporation shall have the right, at its option, at any time and prior to the Maturity Date, to convert the whole or any part which is \$5,000.00 or an integral multiple thereof, of the principal amount of this Promissory Note into fully paid and non-assessable Class B Shares (the "Shares") of the Corporation at a conversion rate equal to a number of Shares having a fair market value of \$5,000 for each \$5,000 of principal so converted (the "Conversion Price") plus payment of accrued and unpaid interest in respect of the principal so converted up to and including the date of such conversion. The Holder of this Promissory Note shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder certificate(s) representing fully paid and non-assessable Shares as provided in this subsection (a).
- (b) The right of conversion pursuant hereto shall extend only to the maximum number of whole Shares into which the aggregate principal amount of this Promissory Note may be converted in accordance with the provisions of subsection (a). Fractional interests in Shares shall be adjusted for in the manner provided herein.
- (c) In case of the reclassification of the Shares at any time outstanding (other than any subdivision or consolidation of Shares into a greater or lesser number of Shares) or change of the Shares into other shares, or in case of a Business Combination of the Debtor (other than a Business Combination which does not result in a reclassification of the outstanding Shares or a change of the Shares into other shares), the Holder if it shall thereafter be converted in whole or in part shall be entitled to receive, and shall accept, in lieu of the number of Shares to which it was theretofore entitled upon such conversion, the kind and amount of shares and other securities or property which such Holder would have been entitled to receive as a result of such Business Combination if on the effective date thereof, it had been the registered holder of the number of Shares to which it was theretofore entitled upon conversion. If necessary, appropriate adjustments shall be made in the application of the provisions set forth in this Schedule "B" with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Schedule "B" shall thereafter correspondingly be made applicable as nearly as may be possible in relation to any shares or other securities or property thereafter deliverable upon the conversion of this Promissory Note. Any such adjustments shall be approved by the directors of the Corporation and shall be set forth in a notice given to the Holder and, absent manifest error, shall for all purposes be conclusively deemed to be an appropriate adjustment.

2. **Partial Conversions**

- (a) Any part, being the lesser of the principal amount outstanding hereunder and \$5,000.00 or an integral multiple thereof, of a Promissory Note may be converted as provided in this section 2, and all references in this Promissory Note to conversion of Promissory Note shall be deemed to include conversion of any such part.
- (b) The Holder of this Promissory Note of which part only is converted shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder a new Promissory Note in an aggregate principal amount equal to the unconverted part of the principal amount of the Promissory Note so surrendered.

3. **Adjustment of Conversion Price**

- (a) If and whenever the Corporation shall (i) subdivide or re-divide the outstanding Shares into a greater number of shares; (ii) reduce, or consolidate the outstanding Shares into a smaller number of shares; (iii) issue any Shares (or securities convertible into or exchangeable for Shares) of the Corporation to the holders of all or substantially all of the outstanding Shares by way of a stock dividend, the Conversion Price and the number of Shares reserved for issuance pursuant to the conversion of the Promissory Note in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Shares (or securities convertible into or exchangeable for Shares) by way of a stock dividend, as the case may be, shall be adjusted in the proportion which the number of Shares outstanding before such subdivision, redivision, reduction, combination, consolidation or dividend bears to the number of Shares outstanding after such subdivision, redivision, reduction, combination, consolidation or dividend. Any such issue of Shares by way of a stock dividend shall be deemed to have been made on the record date fixed for such stock dividend for the purpose of calculating the number of outstanding Shares under this subsection (a) and, in the case where securities convertible into or exchangeable for Shares are distributed, shall include the number of Shares that would have been outstanding had such securities been converted into Shares on such record date.
- (b) No adjustment in the Conversion Price or in the number of Shares issuable upon conversion of this Promissory Note will be made in respect of any event described in this section 3 and no distribution shall be made (other than any distributions constituting dividends paid in the ordinary course) to all or substantially all the holders of its outstanding Shares of (I) shares of the Corporation of any class other than Shares; or (ii) rights, options or warrants or other securities of the Corporation which are convertible into or exchangeable for Shares; or (iii) evidences of its indebtedness; or (iv) property or other assets of the Corporation, unless the Holder is entitled to participate in such event on the same terms *mutatis mutandis*, as if it had converted this Promissory Note prior to or on the record date or effective date of such event.

- (c) The adjustments provided for in this section 3 are cumulative, shall in the case of adjustments to the Conversion Price be computed to the nearest one-tenth of one cent and shall apply to successive submissions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this section 3. Notwithstanding any other provision of this section 3, no adjustment of the Conversion Price shall be required in respect of any such event unless such adjustment would require an increase or decrease of at least one per cent in the Conversion Price then in effect. Any adjustments which by reason of the preceding sentence of this subsection 3(c) are not required to be made shall be carried forward and taken into account on any subsequent adjustment.
- (d) If any questions arise with respect to the adjustments provided in this section 3, such questions shall be determined by the Auditor as that term is defined in the Shareholders Agreement among the Corporation, its affiliates, the Corporation of the Township of Norwich, the Corporation of the Township of Zorra, the Corporation of the Township of East Zorra-Tavistock, the Corporation of the Township of South-West Oxford, The Corporation of the Town of Ingersoll, the Corporation of the Town of Aylmer and the Corporation of the Municipality of Central Elgin dated as of August 31, 2000. Such Auditor shall have for such purposes reasonable access during normal business hours to all necessary records of the Corporation and such determination absent manifest error, shall be binding upon the Corporation and the Holder.

4. No Requirement to Issue Fractional Shares

- (a) The Corporation shall not be required to issue fractional Shares upon the conversion of this Promissory Note pursuant to this Schedule "B". If any fractional interest in a Share would, except for the provisions of this section 4, be deliverable upon the conversion of any principal amount of this Promissory Note, the Corporation shall, in lieu of delivering any certificates of such fractional interest, satisfy such fractional interest by paying the Holder of such surrendered Promissory Note an amount of lawful money of Canada equal (computed to the nearest whole cent, and one-half of a cent being rounded up) to the appropriate fraction of the value of a Share on the basis of the Conversion Price.



Erie Thames Powerlines
Filed: 15 September, 2017
EB-2017-0038
Exhibit 5
Tab 4
Schedule 1
Attachment 4
Page 1 of 1

Attachment 4 (of 11):

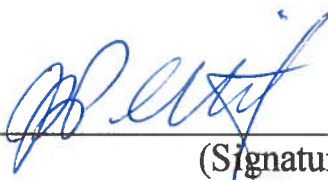
5-D Town of Aylmer Promissory Note

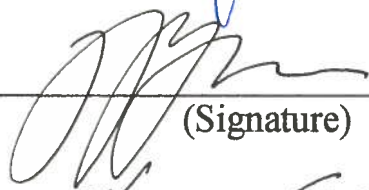
ACKNOWLEDGEMENT OF RECEIPT – Promissory Notes

Shareholder: **The Corporation of the Town of Aylmer**

I HEREBY ACKNOWLEDGE THE RECEIPT OF THE FOLLOWING SIGNED DOCUMENTS:

- 1) Promissory Note – Erie Thames Power Corporation in the amount of \$126,060
- 2) Promissory Note – Erie Thames Services Corporation in the amount of \$442,577
- 3) Promissory Note – Erie Thames Powerlines Corporation in the amount of \$1,694,863

Documents delivered by: 
(Signature)

Documents received by: 
(Signature)
WENDELL CHAPMAN Administrator
(Printed name/title)

Date: Jan 16 / 2002

PROMISSORY NOTE

FOR VALUE RECEIVED, Erie Thames Powerlines Corporation (the "Corporation") hereby promises to pay to or to the order of The Corporation of the Town of Aylmer (the "Holder") the principal sum (the "Principal") of One Million Six Hundred and Ninety Four Thousand Eight Hundred and Sixty Three dollars (\$1,694,863.00) with interest at the rate specified herein, on a date which is no later than eighteen (18) months from the date of demand in writing by the Holder (the "Maturity Date").

Capitalized terms used and not otherwise defined herein have the respective meanings set out in Schedule "A".

The outstanding principal sum of this Promissory Note shall bear interest from time to time at the Interest Rate calculated quarterly not in advance. Interest at the Interest Rate shall accrue from the Interest Commencement Date until the principal sum is paid in full, with interest on overdue interest at the said rate. Interest at the Interest Rate shall be payable in quarterly instalments with the first of such payments commencing three (3) months following the Interest Commencement Date, provided that the Holder may elect to waive payment of interest in its sole discretion.

The Principal is convertible at the option of the Corporation into fully paid and non-assessable Class B Shares in the capital of the Corporation as presently constituted at the Conversion Price all subject to the terms and conditions set forth in Schedule "B". Upon such conversion the Holder shall surrender this Promissory Note to the Corporation at its principal offices.

The right is reserved to the Corporation, subject to the terms and conditions set out in Schedule "B", to purchase this Promissory Note at any time or times by tender or by private contract.

At the option of the Corporation, on one month's prior written notice to the Holder, the Maturity Date and any of the terms of this Promissory Note may be revised, changed or restated by the Corporation.

This Promissory Note is not assignable by the Holder without the consent of the Corporation.

DATED as of the 1st Day of September, 2000.

ERIE THAMES POWERLINES CORPORATION

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

SCHEDULE "A"

Definitions

"Business Combination" means (i) a transaction or series of transaction in which, directly or indirectly, the Corporation shall consolidate, merge with, amalgamate with or enter into a statutory agreement with , any other person (other than a wholly owned subsidiary of the Corporation) and in connection therewith , all of the outstanding Shares shall be changed in any way, reclassified or converted into or exchanged for shares or other securities of the Corporation or of any other person, or cash or any other property or (ii) a transaction or series of transaction in which, directly or indirectly, the Corporation shall sell or otherwise transfer property or assets that aggregate more than 50% of the property or assets of the Corporation or generated during the Corporation's last completed fiscal year more than 50% of the operating income or cash flow of the Corporation and its subsidiaries (taken as a whole) to any other person or persons.

"Conversion Price" has the meaning ascribed thereto in subsection 1(a) of Schedule "B".

"Interest Commencement Date" means the earlier of (i) the date that the Corporation is required to make payments under section 93 of the *Electricity Act, 1998* and (ii) the date that is designated by the board of directors of the Corporation as such date.

"Interest Rate" means the interest rate payable as provided in this Promissory Note on the principal amount hereof that the board of directors of the Corporation shall, from time to time, determine and of which the board of directors of the Corporation shall notify the Holder in writing.

SCHEDULE "B"

Conversion of Promissory Note

1. Conversion of Promissory Note into Shares

- (a) Upon and subject to the provisions of this Schedule "B", the Corporation shall have the right, at its option, at any time and prior to the Maturity Date, to convert the whole or any part which is \$5,000.00 or an integral multiple thereof, of the principal amount of this Promissory Note into fully paid and non-assessable Class B Shares (the "Shares") of the Corporation at a conversion rate equal to a number of Shares having a fair market value of \$5,000 for each \$5,000 of principal so converted (the "Conversion Price") plus payment of accrued and unpaid interest in respect of the principal so converted up to and including the date of such conversion. The Holder of this Promissory Note shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder certificate(s) representing fully paid and non-assessable Shares as provided in this subsection (a).
- (b) The right of conversion pursuant hereto shall extend only to the maximum number of whole Shares into which the aggregate principal amount of this Promissory Note may be converted in accordance with the provisions of subsection (a). Fractional interests in Shares shall be adjusted for in the manner provided herein.
- (c) In case of the reclassification of the Shares at any time outstanding (other than any subdivision or consolidation of Shares into a greater or lesser number of Shares) or change of the Shares into other shares, or in case of a Business Combination of the Debtor (other than a Business Combination which does not result in a reclassification of the outstanding Shares or a change of the Shares into other shares), the Holder if it shall thereafter be converted in whole or in part shall be entitled to receive, and shall accept, in lieu of the number of Shares to which it was theretofore entitled upon such conversion, the kind and amount of shares and other securities or property which such Holder would have been entitled to receive as a result of such Business Combination if on the effective date thereof, it had been the registered holder of the number of Shares to which it was theretofore entitled upon conversion. If necessary, appropriate adjustments shall be made in the application of the provisions set forth in this Schedule "B" with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Schedule "B" shall thereafter correspondingly be made applicable as nearly as may be possible in relation to any shares or other securities or property thereafter deliverable upon the conversion of this Promissory Note. Any such adjustments shall be approved by the directors of the Corporation and shall be set forth in a notice given to the Holder and, absent manifest error, shall for all purposes be conclusively deemed to be an appropriate adjustment.

2. Partial Conversions

- (a) Any part, being the lesser of the principal amount outstanding hereunder and \$5,000.00 or an integral multiple thereof, of a Promissory Note may be converted as provided in this section 2, and all references in this Promissory Note to conversion of Promissory Note shall be deemed to include conversion of any such part.
- (b) The Holder of this Promissory Note of which part only is converted shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder a new Promissory Note in an aggregate principal amount equal to the unconverted part of the principal amount of the Promissory Note so surrendered.

3. Adjustment of Conversion Price

- (a) If and whenever the Corporation shall (i) subdivide or re-divide the outstanding Shares into a greater number of shares; (ii) reduce, or consolidate the outstanding Shares into a smaller number of shares; (iii) issue any Shares (or securities convertible into or exchangeable for Shares) of the Corporation to the holders of all or substantially all of the outstanding Shares by way of a stock dividend, the Conversion Price and the number of Shares reserved for issuance pursuant to the conversion of the Promissory Note in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Shares (or securities convertible into or exchangeable for Shares) by way of a stock dividend, as the case may be, shall be adjusted in the proportion which the number of Shares outstanding before such subdivision, redivision, reduction, combination, consolidation or dividend bears to the number of Shares outstanding after such subdivision, redivision, reduction, combination, consolidation or dividend. Any such issue of Shares by way of a stock dividend shall be deemed to have been made on the record date fixed for such stock dividend for the purpose of calculating the number of outstanding Shares under this subsection (a) and, in the case where securities convertible into or exchangeable for Shares are distributed, shall include the number of Shares that would have been outstanding had such securities been converted into Shares on such record date.
- (b) No adjustment in the Conversion Price or in the number of Shares issuable upon conversion of this Promissory Note will be made in respect of any event described in this section 3 and no distribution shall be made (other than any distributions constituting dividends paid in the ordinary course) to all or substantially all the holders of its outstanding Shares of (I) shares of the Corporation of any class other than Shares; or (ii) rights, options or warrants or other securities of the Corporation which are convertible into or exchangeable for Shares; or (iii) evidences of its indebtedness; or (iv) property or other assets of the Corporation, unless the Holder is entitled to participate in such event on the same terms *mutatis mutandis*, as if it had converted this Promissory Note prior to or on the record date or effective date of such event.

- (c) The adjustments provided for in this section 3 are cumulative, shall in the case of adjustments to the Conversion Price be computed to the nearest one-tenth of one cent and shall apply to successive submissions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this section 3. Notwithstanding any other provision of this section 3, no adjustment of the Conversion Price shall be required in respect of any such event unless such adjustment would require an increase or decrease of at least one per cent in the Conversion Price then in effect. Any adjustments which by reason of the preceding sentence of this subsection 3(c) are not required to be made shall be carried forward and taken into account on any subsequent adjustment.
- (d) If any questions arise with respect to the adjustments provided in this section 3, such questions shall be determined by the Auditor as that term is defined in the Shareholders Agreement among the Corporation, its affiliates, the Corporation of the Township of Norwich, the Corporation of the Township of Zorra, the Corporation of the Township of East Zorra-Tavistock, the Corporation of the Township of South-West Oxford, The Corporation of the Town of Ingersoll, the Corporation of the Town of Aylmer and the Corporation of the Municipality of Central Elgin dated as of August 31, 2000. Such Auditor shall have for such purposes reasonable access during normal business hours to all necessary records of the Corporation and such determination absent manifest error, shall be binding upon the Corporation and the Holder.

4. No Requirement to Issue Fractional Shares

- (a) The Corporation shall not be required to issue fractional Shares upon the conversion of this Promissory Note pursuant to this Schedule "B". If any fractional interest in a Share would, except for the provisions of this section 4, be deliverable upon the conversion of any principal amount of this Promissory Note, the Corporation shall, in lieu of delivering any certificates of such fractional interest, satisfy such fractional interest by paying the Holder of such surrendered Promissory Note an amount of lawful money of Canada equal (computed to the nearest whole cent, and one-half of a cent being rounded up) to the appropriate fraction of the value of a Share on the basis of the Conversion Price.



Erie Thames Powerlines
Filed: 15 September, 2017
EB-2017-0038
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Tab 4
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Attachment 5 (of 11):

5-E Town of Ingersoll Promissory Note

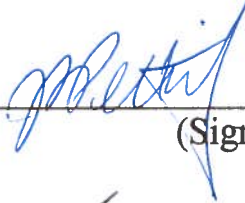
ACKNOWLEDGEMENT OF RECEIPT – Promissory Notes

Shareholder: **Town of Ingersoll**

I HEREBY ACKNOWLEDGE THE RECEIPT OF THE FOLLOWING SIGNED DOCUMENTS:

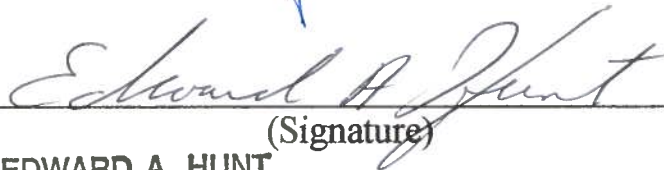
- 1) Promissory Note – Erie Thames Power Corporation in the amount of \$253,040
- 2) Promissory Note – Erie Thames Services Corporation in the amount of \$888,380
- 3) Promissory Note – Erie Thames Powerlines Corporation in the amount of \$3,402,080

Documents delivered by: _____



(Signature)

Documents received by: _____



(Signature)

**EDWARD A. HUNT
CLERK ADMINISTRATOR
TOWN OF INGERSOLL**

(Printed name/title)

Date: _____

January 10 / 02

PROMISSORY NOTE

FOR VALUE RECEIVED, Erie Thames Powerlines Corporation (the "Corporation") hereby promises to pay to or to the order of The Corporation of the Town of Ingersoll (the "Holder") the principal sum (the "Principal") of Three Million Four Hundred and Two Thousand and Eighty dollars (\$3,402,080.00) with interest at the rate specified herein, on a date which is no later than eighteen (18) months from the date of demand in writing by the Holder (the "Maturity Date").

Capitalized terms used and not otherwise defined herein have the respective meanings set out in Schedule "A".

The outstanding principal sum of this Promissory Note shall bear interest from time to time at the Interest Rate calculated quarterly not in advance. Interest at the Interest Rate shall accrue from the Interest Commencement Date until the principal sum is paid in full, with interest on overdue interest at the said rate. Interest at the Interest Rate shall be payable in quarterly instalments with the first of such payments commencing three (3) months following the Interest Commencement Date, provided that the Holder may elect to waive payment of interest in its sole discretion.

The Principal is convertible at the option of the Corporation into fully paid and non-assessable Class B Shares in the capital of the Corporation as presently constituted at the Conversion Price all subject to the terms and conditions set forth in Schedule "B". Upon such conversion the Holder shall surrender this Promissory Note to the Corporation at its principal offices.

The right is reserved to the Corporation, subject to the terms and conditions set out in Schedule "B", to purchase this Promissory Note at any time or times by tender or by private contract.

At the option of the Corporation, on one month's prior written notice to the Holder, the Maturity Date and any of the terms of this Promissory Note may be revised, changed or restated by the Corporation.

This Promissory Note is not assignable by the Holder without the consent of the Corporation.

DATED as of the 1st Day of September, 2000.

ERIE THAMES POWERLINES CORPORATION

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

SCHEDULE "A"

Definitions

"Business Combination" means (i) a transaction or series of transaction in which, directly or indirectly, the Corporation shall consolidate, merge with, amalgamate with or enter into a statutory agreement with , any other person (other than a wholly owned subsidiary of the Corporation) and in connection therewith , all of the outstanding Shares shall be changed in any way, reclassified or converted into or exchanged for shares or other securities of the Corporation or of any other person, or cash or any other property or (ii) a transaction or series of transaction in which, directly or indirectly, the Corporation shall sell or otherwise transfer property or assets that aggregate more than 50% of the property or assets of the Corporation or generated during the Corporation's last completed fiscal year more than 50% of the operating income or cash flow of the Corporation and its subsidiaries (taken as a whole) to any other person or persons.

"Conversion Price" has the meaning ascribed thereto in subsection 1(a) of Schedule "B".

"Interest Commencement Date" means the earlier of (i) the date that the Corporation is required to make payments under section 93 of the *Electricity Act, 1998* and (ii) the date that is designated by the board of directors of the Corporation as such date.

"Interest Rate" means the interest rate payable as provided in this Promissory Note on the principal amount hereof that the board of directors of the Corporation shall, from time to time, determine and of which the board of directors of the Corporation shall notify the Holder in writing.

SCHEDULE "B"

Conversion of Promissory Note

1. Conversion of Promissory Note into Shares

- (a) Upon and subject to the provisions of this Schedule "B", the Corporation shall have the right, at its option, at any time and prior to the Maturity Date, to convert the whole or any part which is \$5,000.00 or an integral multiple thereof, of the principal amount of this Promissory Note into fully paid and non-assessable Class B Shares (the "Shares") of the Corporation at a conversion rate equal to a number of Shares having a fair market value of \$5,000 for each \$5,000 of principal so converted (the "Conversion Price") plus payment of accrued and unpaid interest in respect of the principal so converted up to and including the date of such conversion. The Holder of this Promissory Note shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder certificate(s) representing fully paid and non-assessable Shares as provided in this subsection (a).
- (b) The right of conversion pursuant hereto shall extend only to the maximum number of whole Shares into which the aggregate principal amount of this Promissory Note may be converted in accordance with the provisions of subsection (a). Fractional interests in Shares shall be adjusted for in the manner provided herein.
- (c) In case of the reclassification of the Shares at any time outstanding (other than any subdivision or consolidation of Shares into a greater or lesser number of Shares) or change of the Shares into other shares, or in case of a Business Combination of the Debtor (other than a Business Combination which does not result in a reclassification of the outstanding Shares or a change of the Shares into other shares), the Holder if it shall thereafter be converted in whole or in part shall be entitled to receive, and shall accept, in lieu of the number of Shares to which it was theretofore entitled upon such conversion, the kind and amount of shares and other securities or property which such Holder would have been entitled to receive as a result of such Business Combination if on the effective date thereof, it had been the registered holder of the number of Shares to which it was theretofore entitled upon conversion. If necessary, appropriate adjustments shall be made in the application of the provisions set forth in this Schedule "B" with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Schedule "B" shall thereafter correspondingly be made applicable as nearly as may be possible in relation to any shares or other securities or property thereafter deliverable upon the conversion of this Promissory Note. Any such adjustments shall be approved by the directors of the Corporation and shall be set forth in a notice given to the Holder and, absent manifest error, shall for all purposes be conclusively deemed to be an appropriate adjustment.

2. Partial Conversions

- (a) Any part, being the lesser of the principal amount outstanding hereunder and \$5,000.00 or an integral multiple thereof, of a Promissory Note may be converted as provided in this section 2, and all references in this Promissory Note to conversion of Promissory Note shall be deemed to include conversion of any such part.
- (b) The Holder of this Promissory Note of which part only is converted shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder a new Promissory Note in an aggregate principal amount equal to the unconverted part of the principal amount of the Promissory Note so surrendered.

3. Adjustment of Conversion Price

- (a) If and whenever the Corporation shall (i) subdivide or re-divide the outstanding Shares into a greater number of shares; (ii) reduce, or consolidate the outstanding Shares into a smaller number of shares; (iii) issue any Shares (or securities convertible into or exchangeable for Shares) of the Corporation to the holders of all or substantially all of the outstanding Shares by way of a stock dividend, the Conversion Price and the number of Shares reserved for issuance pursuant to the conversion of the Promissory Note in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Shares (or securities convertible into or exchangeable for Shares) by way of a stock dividend, as the case may be, shall be adjusted in the proportion which the number of Shares outstanding before such subdivision, redivision, reduction, combination, consolidation or dividend bears to the number of Shares outstanding after such subdivision, redivision, reduction, combination, consolidation or dividend. Any such issue of Shares by way of a stock dividend shall be deemed to have been made on the record date fixed for such stock dividend for the purpose of calculating the number of outstanding Shares under this subsection (a) and, in the case where securities convertible into or exchangeable for Shares are distributed, shall include the number of Shares that would have been outstanding had such securities been converted into Shares on such record date.
- (b) No adjustment in the Conversion Price or in the number of Shares issuable upon conversion of this Promissory Note will be made in respect of any event described in this section 3 and no distribution shall be made (other than any distributions constituting dividends paid in the ordinary course) to all or substantially all the holders of its outstanding Shares of (I) shares of the Corporation of any class other than Shares; or (ii) rights, options or warrants or other securities of the Corporation which are convertible into or exchangeable for Shares; or (iii) evidences of its indebtedness; or (iv) property or other assets of the Corporation, unless the Holder is entitled to participate in such event on the same terms *mutatis mutandis*, as if it had converted this Promissory Note prior to or on the record date or effective date of such event.

- (c) The adjustments provided for in this section 3 are cumulative, shall in the case of adjustments to the Conversion Price be computed to the nearest one-tenth of one cent and shall apply to successive submissions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this section 3. Notwithstanding any other provision of this section 3, no adjustment of the Conversion Price shall be required in respect of any such event unless such adjustment would require an increase or decrease of at least one per cent in the Conversion Price then in effect. Any adjustments which by reason of the preceding sentence of this subsection 3(c) are not required to be made shall be carried forward and taken into account on any subsequent adjustment.
- (d) If any questions arise with respect to the adjustments provided in this section 3, such questions shall be determined by the Auditor as that term is defined in the Shareholders Agreement among the Corporation, its affiliates, the Corporation of the Township of Norwich, the Corporation of the Township of Zorra, the Corporation of the Township of East Zorra-Tavistock, the Corporation of the Township of South-West Oxford, The Corporation of the Town of Ingersoll, the Corporation of the Town of Aylmer and the Corporation of the Municipality of Central Elgin dated as of August 31, 2000. Such Auditor shall have for such purposes reasonable access during normal business hours to all necessary records of the Corporation and such determination absent manifest error, shall be binding upon the Corporation and the Holder.

4. No Requirement to Issue Fractional Shares

- (a) The Corporation shall not be required to issue fractional Shares upon the conversion of this Promissory Note pursuant to this Schedule "B". If any fractional interest in a Share would, except for the provisions of this section 4, be deliverable upon the conversion of any principal amount of this Promissory Note, the Corporation shall, in lieu of delivering any certificates of such fractional interest, satisfy such fractional interest by paying the Holder of such surrendered Promissory Note an amount of lawful money of Canada equal (computed to the nearest whole cent, and one-half of a cent being rounded up) to the appropriate fraction of the value of a Share on the basis of the Conversion Price.



Erie Thames Powerlines
Filed: 15 September, 2017
EB-2017-0038
Exhibit 5
Tab 4
Schedule 1
Attachment 6
Page 1 of 1

Attachment 6 (of 11):

5-F Township of Norwich Promissory Note

ACKNOWLEDGEMENT OF RECEIPT – Promissory Notes

Shareholder: **Township of Norwich**

I HEREBY ACKNOWLEDGE THE RECEIPT OF THE FOLLOWING SIGNED DOCUMENTS:

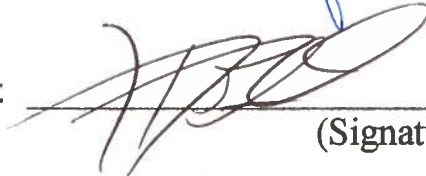
- 1) Promissory Note – Erie Thames Power Corporation in the amount of \$56,807
- 2) Promissory Note – Erie Thames Services Corporation in the amount of \$199,438
- 3) Promissory Note – Erie Thames Powerlines Corporation in the amount of \$763,755

Documents delivered by:



(Signature)

Documents received by:



(Signature)

H Roy BAUSLAUGH, TREASURER

(Printed name/title)

Date:

02/01/16

PROMISSORY NOTE

FOR VALUE RECEIVED, Erie Thames Powerlines Corporation (the "Corporation") hereby promises to pay to or to the order of The Corporation of the Township of Norwich (the "Holder") the principal sum (the "Principal") of Seven Hundred and Sixty Three Thousand Seven Hundred and Fifty Five dollars (\$763,755.00) with interest at the rate specified herein, on a date which is no later than eighteen (18) months from the date of demand in writing by the Holder (the "Maturity Date").

Capitalized terms used and not otherwise defined herein have the respective meanings set out in Schedule "A".

The outstanding principal sum of this Promissory Note shall bear interest from time to time at the Interest Rate calculated quarterly not in advance. Interest at the Interest Rate shall accrue from the Interest Commencement Date until the principal sum is paid in full, with interest on overdue interest at the said rate. Interest at the Interest Rate shall be payable in quarterly instalments with the first of such payments commencing three (3) months following the Interest Commencement Date, provided that the Holder may elect to waive payment of interest in its sole discretion.

The Principal is convertible at the option of the Corporation into fully paid and non-assessable Class B Shares in the capital of the Corporation as presently constituted at the Conversion Price all subject to the terms and conditions set forth in Schedule "B". Upon such conversion the Holder shall surrender this Promissory Note to the Corporation at its principal offices.

The right is reserved to the Corporation, subject to the terms and conditions set out in Schedule "B", to purchase this Promissory Note at any time or times by tender or by private contract.

At the option of the Corporation, on one month's prior written notice to the Holder, the Maturity Date and any of the terms of this Promissory Note may be revised, changed or restated by the Corporation.

This Promissory Note is not assignable by the Holder without the consent of the Corporation.

DATED as of the 1st Day of September, 2000.

ERIE THAMES POWERLINES CORPORATION

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

SCHEDULE "A"

Definitions

"Business Combination" means (i) a transaction or series of transaction in which, directly or indirectly, the Corporation shall consolidate, merge with, amalgamate with or enter into a statutory agreement with , any other person (other than a wholly owned subsidiary of the Corporation) and in connection therewith , all of the outstanding Shares shall be changed in any way, reclassified or converted into or exchanged for shares or other securities of the Corporation or of any other person, or cash or any other property or (ii) a transaction or series of transaction in which, directly or indirectly, the Corporation shall sell or otherwise transfer property or assets that aggregate more than 50% of the property or assets of the Corporation or generated during the Corporation's last completed fiscal year more than 50% of the operating income or cash flow of the Corporation and its subsidiaries (taken as a whole) to any other person or persons.

"Conversion Price" has the meaning ascribed thereto in subsection 1(a) of Schedule "B".

"Interest Commencement Date" means the earlier of (i) the date that the Corporation is required to make payments under section 93 of the *Electricity Act, 1998* and (ii) the date that is designated by the board of directors of the Corporation as such date.

"Interest Rate" means the interest rate payable as provided in this Promissory Note on the principal amount hereof that the board of directors of the Corporation shall, from time to time, determine and of which the board of directors of the Corporation shall notify the Holder in writing.

SCHEDULE "B"

Conversion of Promissory Note

1. Conversion of Promissory Note into Shares

- (a) Upon and subject to the provisions of this Schedule "B", the Corporation shall have the right, at its option, at any time and prior to the Maturity Date, to convert the whole or any part which is \$5,000.00 or an integral multiple thereof, of the principal amount of this Promissory Note into fully paid and non-assessable Class B Shares (the "Shares") of the Corporation at a conversion rate equal to a number of Shares having a fair market value of \$5,000 for each \$5,000 of principal so converted (the "Conversion Price") plus payment of accrued and unpaid interest in respect of the principal so converted up to and including the date of such conversion. The Holder of this Promissory Note shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder certificate(s) representing fully paid and non-assessable Shares as provided in this subsection (a).
- (b) The right of conversion pursuant hereto shall extend only to the maximum number of whole Shares into which the aggregate principal amount of this Promissory Note may be converted in accordance with the provisions of subsection (a). Fractional interests in Shares shall be adjusted for in the manner provided herein.
- (c) In case of the reclassification of the Shares at any time outstanding (other than any subdivision or consolidation of Shares into a greater or lesser number of Shares) or change of the Shares into other shares, or in case of a Business Combination of the Debtor (other than a Business Combination which does not result in a reclassification of the outstanding Shares or a change of the Shares into other shares), the Holder if it shall thereafter be converted in whole or in part shall be entitled to receive, and shall accept, in lieu of the number of Shares to which it was theretofore entitled upon such conversion, the kind and amount of shares and other securities or property which such Holder would have been entitled to receive as a result of such Business Combination if on the effective date thereof, it had been the registered holder of the number of Shares to which it was theretofore entitled upon conversion. If necessary, appropriate adjustments shall be made in the application of the provisions set forth in this Schedule "B" with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Schedule "B" shall thereafter correspondingly be made applicable as nearly as may be possible in relation to any shares or other securities or property thereafter deliverable upon the conversion of this Promissory Note. Any such adjustments shall be approved by the directors of the Corporation and shall be set forth in a notice given to the Holder and, absent manifest error, shall for all purposes be conclusively deemed to be an appropriate adjustment.

2. Partial Conversions

- (a) Any part, being the lesser of the principal amount outstanding hereunder and \$5,000.00 or an integral multiple thereof, of a Promissory Note may be converted as provided in this section 2, and all references in this Promissory Note to conversion of Promissory Note shall be deemed to include conversion of any such part.
- (b) The Holder of this Promissory Note of which part only is converted shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder a new Promissory Note in an aggregate principal amount equal to the unconverted part of the principal amount of the Promissory Note so surrendered.

3. Adjustment of Conversion Price

- (a) If and whenever the Corporation shall (i) subdivide or re-divide the outstanding Shares into a greater number of shares; (ii) reduce, or consolidate the outstanding Shares into a smaller number of shares; (iii) issue any Shares (or securities convertible into or exchangeable for Shares) of the Corporation to the holders of all or substantially all of the outstanding Shares by way of a stock dividend, the Conversion Price and the number of Shares reserved for issuance pursuant to the conversion of the Promissory Note in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Shares (or securities convertible into or exchangeable for Shares) by way of a stock dividend, as the case may be, shall be adjusted in the proportion which the number of Shares outstanding before such subdivision, redivision, reduction, combination, consolidation or dividend bears to the number of Shares outstanding after such subdivision, redivision, reduction, combination, consolidation or dividend. Any such issue of Shares by way of a stock dividend shall be deemed to have been made on the record date fixed for such stock dividend for the purpose of calculating the number of outstanding Shares under this subsection (a) and, in the case where securities convertible into or exchangeable for Shares are distributed, shall include the number of Shares that would have been outstanding had such securities been converted into Shares on such record date.
- (b) No adjustment in the Conversion Price or in the number of Shares issuable upon conversion of this Promissory Note will be made in respect of any event described in this section 3 and no distribution shall be made (other than any distributions constituting dividends paid in the ordinary course) to all or substantially all the holders of its outstanding Shares of (I) shares of the Corporation of any class other than Shares; or (ii) rights, options or warrants or other securities of the Corporation which are convertible into or exchangeable for Shares; or (iii) evidences of its indebtedness; or (iv) property or other assets of the Corporation, unless the Holder is entitled to participate in such event on the same terms *mutatis mutandis*, as if it had converted this Promissory Note prior to or on the record date or effective date of such event.

- (c) The adjustments provided for in this section 3 are cumulative, shall in the case of adjustments to the Conversion Price be computed to the nearest one-tenth of one cent and shall apply to successive submissions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this section 3. Notwithstanding any other provision of this section 3, no adjustment of the Conversion Price shall be required in respect of any such event unless such adjustment would require an increase or decrease of at least one per cent in the Conversion Price then in effect. Any adjustments which by reason of the preceding sentence of this subsection 3(c) are not required to be made shall be carried forward and taken into account on any subsequent adjustment.
- (d) If any questions arise with respect to the adjustments provided in this section 3, such questions shall be determined by the Auditor as that term is defined in the Shareholders Agreement among the Corporation, its affiliates, the Corporation of the Township of Norwich, the Corporation of the Township of Zorra, the Corporation of the Township of East Zorra-Tavistock, the Corporation of the Township of South-West Oxford, The Corporation of the Town of Ingersoll, the Corporation of the Town of Aylmer and the Corporation of the Municipality of Central Elgin dated as of August 31, 2000. Such Auditor shall have for such purposes reasonable access during normal business hours to all necessary records of the Corporation and such determination absent manifest error, shall be binding upon the Corporation and the Holder.

4. No Requirement to Issue Fractional Shares

- (a) The Corporation shall not be required to issue fractional Shares upon the conversion of this Promissory Note pursuant to this Schedule "B". If any fractional interest in a Share would, except for the provisions of this section 4, be deliverable upon the conversion of any principal amount of this Promissory Note, the Corporation shall, in lieu of delivering any certificates of such fractional interest, satisfy such fractional interest by paying the Holder of such surrendered Promissory Note an amount of lawful money of Canada equal (computed to the nearest whole cent, and one-half of a cent being rounded up) to the appropriate fraction of the value of a Share on the basis of the Conversion Price.



Erie Thames Powerlines
Filed: 15 September, 2017
EB-2017-0038
Exhibit 5
Tab 4
Schedule 1
Attachment 7
Page 1 of 1

Attachment 7 (of 11):

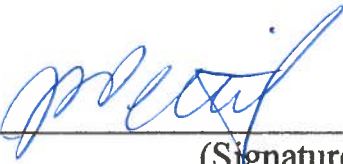
5-G Township of Zorra Promissory Note


ACKNOWLEDGEMENT OF RECEIPT – Promissory Notes

Shareholder: **Township of Zorra**

I HEREBY ACKNOWLEDGE THE RECEIPT OF THE FOLLOWING SIGNED DOCUMENTS:

- 1) Promissory Note – Erie Thames Power Corporation in the amount of \$45,390
- 2) Promissory Note – Erie Thames Services Corporation in the amount of \$159,355
- 3) Promissory Note – Erie Thames Powerlines Corporation in the amount of \$610,255

Documents delivered by: 
(Signature)

Documents received by: 
(Signature)

Don MacLeod CLERK ADMINISTRATOR
(Printed name/title)

Date: Jan 14/2002

PROMISSORY NOTE

FOR VALUE RECEIVED, Erie Thames Powerlines Corporation (the "Corporation") hereby promises to pay to or to the order of The Corporation of the Township of Zorra (the "Holder") the principal sum (the "Principal") of Six Hundred and Ten Thousand Two Hundred and Fifty Five dollars (\$610,255.00) with interest at the rate specified herein, on a date which is no later than eighteen (18) months from the date of demand in writing by the Holder (the "Maturity Date").

Capitalized terms used and not otherwise defined herein have the respective meanings set out in Schedule "A".

The outstanding principal sum of this Promissory Note shall bear interest from time to time at the Interest Rate calculated quarterly not in advance. Interest at the Interest Rate shall accrue from the Interest Commencement Date until the principal sum is paid in full, with interest on overdue interest at the said rate. Interest at the Interest Rate shall be payable in quarterly instalments with the first of such payments commencing three (3) months following the Interest Commencement Date, provided that the Holder may elect to waive payment of interest in its sole discretion.

The Principal is convertible at the option of the Corporation into fully paid and non-assessable Class B Shares in the capital of the Corporation as presently constituted at the Conversion Price all subject to the terms and conditions set forth in Schedule "B". Upon such conversion the Holder shall surrender this Promissory Note to the Corporation at its principal offices.

The right is reserved to the Corporation, subject to the terms and conditions set out in Schedule "B", to purchase this Promissory Note at any time or times by tender or by private contract.

At the option of the Corporation, on one month's prior written notice to the Holder, the Maturity Date and any of the terms of this Promissory Note may be revised, changed or restated by the Corporation.

This Promissory Note is not assignable by the Holder without the consent of the Corporation.

DATED as of the 1st Day of September, 2000.

ERIE THAMES POWERLINES CORPORATION

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

SCHEDULE "A"

Definitions

"Business Combination" means (i) a transaction or series of transaction in which, directly or indirectly, the Corporation shall consolidate, merge with, amalgamate with or enter into a statutory agreement with , any other person (other than a wholly owned subsidiary of the Corporation) and in connection therewith , all of the outstanding Shares shall be changed in any way, reclassified or converted into or exchanged for shares or other securities of the Corporation or of any other person, or cash or any other property or (ii) a transaction or series of transaction in which, directly or indirectly, the Corporation shall sell or otherwise transfer property or assets that aggregate more than 50% of the property or assets of the Corporation or generated during the Corporation's last completed fiscal year more than 50% of the operating income or cash flow of the Corporation and its subsidiaries (taken as a whole) to any other person or persons.

"Conversion Price" has the meaning ascribed thereto in subsection 1(a) of Schedule "B".

"Interest Commencement Date" means the earlier of (i) the date that the Corporation is required to make payments under section 93 of the *Electricity Act, 1998* and (ii) the date that is designated by the board of directors of the Corporation as such date.

"Interest Rate" means the interest rate payable as provided in this Promissory Note on the principal amount hereof that the board of directors of the Corporation shall, from time to time, determine and of which the board of directors of the Corporation shall notify the Holder in writing.

SCHEDULE "B"

Conversion of Promissory Note

1. Conversion of Promissory Note into Shares

- (a) Upon and subject to the provisions of this Schedule "B", the Corporation shall have the right, at its option, at any time and prior to the Maturity Date, to convert the whole or any part which is \$5,000.00 or an integral multiple thereof, of the principal amount of this Promissory Note into fully paid and non-assessable Class B Shares (the "Shares") of the Corporation at a conversion rate equal to a number of Shares having a fair market value of \$5,000 for each \$5,000 of principal so converted (the "Conversion Price") plus payment of accrued and unpaid interest in respect of the principal so converted up to and including the date of such conversion. The Holder of this Promissory Note shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder certificate(s) representing fully paid and non-assessable Shares as provided in this subsection (a).
- (b) The right of conversion pursuant hereto shall extend only to the maximum number of whole Shares into which the aggregate principal amount of this Promissory Note may be converted in accordance with the provisions of subsection (a). Fractional interests in Shares shall be adjusted for in the manner provided herein.
- (c) In case of the reclassification of the Shares at any time outstanding (other than any subdivision or consolidation of Shares into a greater or lesser number of Shares) or change of the Shares into other shares, or in case of a Business Combination of the Debtor (other than a Business Combination which does not result in a reclassification of the outstanding Shares or a change of the Shares into other shares), the Holder if it shall thereafter be converted in whole or in part shall be entitled to receive, and shall accept, in lieu of the number of Shares to which it was theretofore entitled upon such conversion, the kind and amount of shares and other securities or property which such Holder would have been entitled to receive as a result of such Business Combination if on the effective date thereof, it had been the registered holder of the number of Shares to which it was theretofore entitled upon conversion. If necessary, appropriate adjustments shall be made in the application of the provisions set forth in this Schedule "B" with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Schedule "B" shall thereafter correspondingly be made applicable as nearly as may be possible in relation to any shares or other securities or property thereafter deliverable upon the conversion of this Promissory Note. Any such adjustments shall be approved by the directors of the Corporation and shall be set forth in a notice given to the Holder and, absent manifest error, shall for all purposes be conclusively deemed to be an appropriate adjustment.

2. Partial Conversions

- (a) Any part, being the lesser of the principal amount outstanding hereunder and \$5,000.00 or an integral multiple thereof, of a Promissory Note may be converted as provided in this section 2, and all references in this Promissory Note to conversion of Promissory Note shall be deemed to include conversion of any such part.
- (b) The Holder of this Promissory Note of which part only is converted shall upon the exercise of the Corporation's right of conversion surrender such Promissory Note to the Corporation and the Corporation shall cancel the same and shall, without expense to the Holder, forthwith certify and deliver to the Holder a new Promissory Note in an aggregate principal amount equal to the unconverted part of the principal amount of the Promissory Note so surrendered.

3. Adjustment of Conversion Price

- (a) If and whenever the Corporation shall (i) subdivide or re-divide the outstanding Shares into a greater number of shares; (ii) reduce, or consolidate the outstanding Shares into a smaller number of shares; (iii) issue any Shares (or securities convertible into or exchangeable for Shares) of the Corporation to the holders of all or substantially all of the outstanding Shares by way of a stock dividend, the Conversion Price and the number of Shares reserved for issuance pursuant to the conversion of the Promissory Note in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Shares (or securities convertible into or exchangeable for Shares) by way of a stock dividend, as the case may be, shall be adjusted in the proportion which the number of Shares outstanding before such subdivision, redivision, reduction, combination, consolidation or dividend bears to the number of Shares outstanding after such subdivision, redivision, reduction, combination, consolidation or dividend. Any such issue of Shares by way of a stock dividend shall be deemed to have been made on the record date fixed for such stock dividend for the purpose of calculating the number of outstanding Shares under this subsection (a) and, in the case where securities convertible into or exchangeable for Shares are distributed, shall include the number of Shares that would have been outstanding had such securities been converted into Shares on such record date.
- (b) No adjustment in the Conversion Price or in the number of Shares issuable upon conversion of this Promissory Note will be made in respect of any event described in this section 3 and no distribution shall be made (other than any distributions constituting dividends paid in the ordinary course) to all or substantially all the holders of its outstanding Shares of (I) shares of the Corporation of any class other than Shares; or (ii) rights, options or warrants or other securities of the Corporation which are convertible into or exchangeable for Shares; or (iii) evidences of its indebtedness; or (iv) property or other assets of the Corporation, unless the Holder is entitled to participate in such event on the same terms *mutatis mutandis*, as if it had converted this Promissory Note prior to or on the record date or effective date of such event.

- (c) The adjustments provided for in this section 3 are cumulative, shall in the case of adjustments to the Conversion Price be computed to the nearest one-tenth of one cent and shall apply to successive submissions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this section 3. Notwithstanding any other provision of this section 3, no adjustment of the Conversion Price shall be required in respect of any such event unless such adjustment would require an increase or decrease of at least one per cent in the Conversion Price then in effect. Any adjustments which by reason of the preceding sentence of this subsection 3(c) are not required to be made shall be carried forward and taken into account on any subsequent adjustment.
- (d) If any questions arise with respect to the adjustments provided in this section 3, such questions shall be determined by the Auditor as that term is defined in the Shareholders Agreement among the Corporation, its affiliates, the Corporation of the Township of Norwich, the Corporation of the Township of Zorra, the Corporation of the Township of East Zorra-Tavistock, the Corporation of the Township of South-West Oxford, The Corporation of the Town of Ingersoll, the Corporation of the Town of Aylmer and the Corporation of the Municipality of Central Elgin dated as of August 31, 2000. Such Auditor shall have for such purposes reasonable access during normal business hours to all necessary records of the Corporation and such determination absent manifest error, shall be binding upon the Corporation and the Holder.

4. No Requirement to Issue Fractional Shares

- (a) The Corporation shall not be required to issue fractional Shares upon the conversion of this Promissory Note pursuant to this Schedule "B". If any fractional interest in a Share would, except for the provisions of this section 4, be deliverable upon the conversion of any principal amount of this Promissory Note, the Corporation shall, in lieu of delivering any certificates of such fractional interest, satisfy such fractional interest by paying the Holder of such surrendered Promissory Note an amount of lawful money of Canada equal (computed to the nearest whole cent, and one-half of a cent being rounded up) to the appropriate fraction of the value of a Share on the basis of the Conversion Price.



Erie Thames Powerlines
Filed: 15 September, 2017
EB-2017-0038
Exhibit 5
Tab 4
Schedule 1
Attachment 8
Page 1 of 1

Attachment 8 (of 11):

5-H West Perth Promissory Notes (2016)

PROMISSORY NOTE (WP No. 1)

FOR VALUE RECEIVED, Erie Thames Powerlines Corporation (the "Corporation") hereby promises to pay to or to the order of The Corporation of the Municipality of West Perth (the "Holder") the principal sum (the "Principal") of One Million, One Hundred and Eighty-Three Thousand Dollars (\$1,183,391.00) on a date which is no later than eighteen (18) months from the date of demand in writing by the Holder (the "Maturity Date").

Interest on the outstanding Principal amount will be subject to the approval of the Ontario Energy Board but in any event will not exceed seven and one-quarter percent (7.25%) per annum (the "Interest Rate"). The Interest Rate will be subject to review on an annual basis and will conform with any orders of the Ontario Energy Board. Interest at the Interest Rate shall be payable in quarterly instalments, provided that the Holder may elect to waive payment of interest in its sole discretion.

The right is reserved to the Corporation to purchase this Promissory Note on demand at any time.

This Promissory Note is not assignable by the Holder without the consent of the Corporation.

This Promissory Note replaces a promissory note issued to the Holder by West Perth Power Inc. (a predecessor affiliate of the Corporation) dated the 1st day of January, 2002, which is hereby terminated.

DATED this 31st day of December, 2015.

Erie Thames Powerlines Corporation



Name: CHRIS WHITE
Title: PRESIDENT

PROMISSORY NOTE (WP No.2)

FOR VALUE RECEIVED, Erie Thames Powerlines Corporation (the "Corporation") hereby promises to pay to or to the order of The Corporation of the Municipality of West Perth (the "Holder") the principal sum (the "Principal") of Nine Hundred Thousand Dollars (\$900,000.00) on a date which is no later than thirteen (13) months from the date of demand in writing by the Holder (the "Maturity Date").

Interest on the outstanding Principal amount will not exceed seven and one-quarter percent (7.25%) per annum (the "Interest Rate"). Interest at the Interest Rate shall be payable in quarterly instalments, provided that the Holder may elect to waive payment of interest in its sole discretion.

The right is reserved to the Corporation to purchase this Promissory Note at any time or from time to time by tender or by private contract provided that the Holder is given six (6) months' notice in writing.


At the option of the Corporation, on six (6) months' prior written notice to the Holder, the Maturity Date and any of the terms of this Promissory Note may be revised, changed or restated by the Corporation.

This Promissory Note is not assignable by the Holder without the consent of the Corporation.

This Promissory Note replaces a promissory note issued to the Holder by Clinton Powerlines Corporation (a predecessor affiliate of the Corporation) dated the 16th day of January, 2010, which is hereby terminated.

DATED as of this 31st day of December, 2015.

Erie Thames Powerlines Corporation


Name: CHRIS WHITE
Title: PRESIDENT



Erie Thames Powerlines
Filed: 15 September, 2017
EB-2017-0038
Exhibit 5
Tab 4
Schedule 1
Attachment 9
Page 1 of 1

Attachment 9 (of 11):

5-I ERTH Corp. Promissory Note

PROMISSORY NOTE (ETPL 100.1)

FOR VALUE RECEIVED, Erie Thames Powerlines Corporation (the "Corporation") hereby promises to pay to or to the order of EARTH Corporation (the "Holder") the principal sum (the "Principal") of Ten Million Dollars (\$10,000,000.00) on a date which is no later than eighteen (18) months from the date of demand in writing by the Holder (the "Maturity Date").

Interest on the outstanding Principal amount will not exceed seven and one-quarter percent (7.25%) per annum (the "Interest Rate"). Interest at the Interest Rate shall be payable in quarterly instalments, provided that the Holder may elect to waive payment of interest in its sole discretion.

The right is reserved to the Corporation to purchase this Promissory Note at any time or times by tender or by private contract provided that the Holder is given six (6) months' notice in writing.

At the option of the Corporation, on six (6) months' prior written notice to the Holder, the Maturity Date and any of the terms of this Promissory Note may be revised, changed or restated by the Corporation.

This Promissory Note is not assignable by the Holder without the consent of the Corporation.

DATED as of this 31st day of December, 2015.

Erie Thames Powerlines Corporation



Name: CHRIS WHITE

Title: PRESIDENT



Erie Thames Powerlines
Filed: 15 September, 2017
EB-2017-0038
Exhibit 5
Tab 4
Schedule 1
Attachment 10
Page 1 of 1

Attachment 10 (of 11):

5-J Appendices 2-OB

Appendix 2-OB Debt Instruments

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

Year

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	Municipality of West Perth	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 2,083,391	7.25%	\$ 151,045.85	
2	Promissory Note	Municipality of Central Elgin	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 806,436	7.25%	\$ 58,466.61	
3	Promissory Note	Township of East Zorra-Tavistock	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 569,073	7.25%	\$ 41,257.79	
4	Promissory Note	Township of South-West Oxford	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 192,062	7.25%	\$ 13,924.50	
5	Promissory Note	Corporation of the Town of Aylmer	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 1,694,863	7.25%	\$ 122,877.57	
6	Promissory Note	Town of Ingersoll	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 3,402,080	7.25%	\$ 246,650.80	
7	Promissory Note	Township of Norwich	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 763,755	7.25%	\$ 55,372.24	
8	Promissory Note	Township of Zorra	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 610,255	7.25%	\$ 44,243.49	
9									\$ -	
Total							\$ 10,121,915		\$ 733,839	

Notes

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

Year

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1	Promissory Note	Municipality of West Perth	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 2,083,391	7.25%	\$ 151,045.85	
2	Promissory Note	Municipality of Central Elgin	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 806,436	7.25%	\$ 58,466.61	
3	Promissory Note	Township of East Zorra-Tavistock	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 569,073	7.25%	\$ 41,257.79	
4	Promissory Note	Township of South-West Oxford	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 192,062	7.25%	\$ 13,924.50	
5	Promissory Note	Corporation of the Town of Aylmer	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 1,694,863	7.25%	\$ 122,877.57	
6	Promissory Note	Town of Ingersoll	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 3,402,080	7.25%	\$ 246,650.80	
7	Promissory Note	Township of Norwich	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 763,755	7.25%	\$ 55,372.24	
8	Promissory Note	Township of Zorra	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 610,255	7.25%	\$ 44,243.49	
12									\$ -	
Total							\$ 10,121,915		\$ 733,839	

Notes

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

Year

Row	Description	Lender	Affiliated or Third-Party Debt?	Fixed or Variable-Rate?	Start Date	Term (years)	Principal (\$)	Rate (%) ²	Interest (\$) ¹	Additional Comments, if any
1										
2	Promissory Note	Municipality of West Perth	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 2,083,391	7.25%	\$ 151,045.85	
3	Promissory Note	Municipality of Central Elgin	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 806,436	7.25%	\$ 58,466.61	
4	Promissory Note	Township of East Zorra-Tavistock	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 569,073	7.25%	\$ 41,257.79	
5	Promissory Note	Township of South-West Oxford	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 192,062	7.25%	\$ 13,924.50	
6	Promissory Note	Corporation of the Town of Aylmer	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 1,694,863	7.25%	\$ 122,877.57	
7	Promissory Note	Town of Ingersoll	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 3,402,080	7.25%	\$ 246,650.80	
8	Promissory Note	Township of Norwich	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 763,755	7.25%	\$ 55,372.24	
12	Promissory Note	Township of Zorra	Affiliated	Fixed Rate	2-Apr-04	Demand	\$ 610,255	7.25%	\$ 44,243.49	
									\$ -	
Total							\$ 10,121,915		\$ 733,839	

Notes

- 1 If financing is in place only part of the year, separately calculate the pro-rated interest in the year and input in the cell.
- 2 Input actual or deemed
- 3 Add more lines above row 12 if necessary.

Year 2015

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	Town of Ingersol	Affiliated	Fixed	2-Apr-04	Demand	\$ 3,402,080.00	7.25%	\$ 246,650.80	
2	Promissory Note	Municipality of Central Elgin	Affiliated	Fixed	2-Apr-04	Demand	\$ 806,436.00	7.25%	\$ 58,466.61	
3	Promissory Note	Township of East Zorra Tavistock	Affiliated	Fixed	2-Apr-04	Demand	\$ 569,073.00	7.25%	\$ 41,257.79	
4	Promissory Note	Township of Southwest Oxford	Affiliated	Fixed	2-Apr-04	Demand	\$ 192,062.00	7.25%	\$ 13,924.50	
5	Promissory Note	Town of Aylmer	Affiliated	Fixed	2-Apr-04	Demand	\$ 1,694,863.00	7.25%	\$ 122,877.57	
6	Promissory Note	Township of Zorra	Affiliated	Fixed	2-Apr-04	Demand	\$ 610,255.00	7.25%	\$ 44,243.49	
7	Promissory Note	Township of Norwich	Affiliated	Fixed	2-Apr-04	Demand	\$ 763,755.00	7.25%	\$ 55,372.24	
8	Promissory Note	Municipality of West Perth	Affiliated	Fixed	2-Apr-04	Demand	\$ 2,083,391.00	7.25%	\$ 151,045.85	
9	Promissory Note	ERTH Corporation	Affiliated	Fixed	12-31-2015	NA	\$ 10,000,000.00	2.50%	\$ 250,000.00	
10										
11									\$ -	
12									\$ -	
Total							\$ 20,121,915		\$ 983,839	

Notes

- 1 If financing is in place only part of the year, separately calculate the pro-rated interest in the year and input in the cell.
- 2 Input actual or deemed
- 3 Add more lines above row 12 if necessary.

Year 2016

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	Town of Ingersol	Affiliated	Fixed	2-Apr-04	Demand	\$ 3,402,080.00	7.25%	\$ 246,650.80	
2	Promissory Note	Municipality of Central Elgin	Affiliated	Fixed	2-Apr-04	Demand	\$ 806,436.00	7.25%	\$ 58,466.61	
3	Promissory Note	Township of East Zorra Tavistock	Affiliated	Fixed	2-Apr-04	Demand	\$ 569,073.00	7.25%	\$ 41,257.79	
4	Promissory Note	Township of Southwest Oxford	Affiliated	Fixed	2-Apr-04	Demand	\$ 192,062.00	7.25%	\$ 13,924.50	
5	Promissory Note	Town of Aylmer	Affiliated	Fixed	2-Apr-04	Demand	\$ 1,694,863.00	7.25%	\$ 122,877.57	
6	Promissory Note	Township of Zorra	Affiliated	Fixed	2-Apr-04	Demand	\$ 610,255.00	7.25%	\$ 44,243.49	
7	Promissory Note	Township of Norwich	Affiliated	Fixed	2-Apr-04	Demand	\$ 763,755.00	7.25%	\$ 55,372.24	
8	Promissory Note	Municipality of West Perth	Affiliated	Fixed	2-Apr-04	Demand	\$ 2,083,391.00	7.25%	\$ 151,045.85	
9	Promissory Note	ERTH Corporation	Affiliated	Fixed	12-31-2015	NA	\$ 10,000,000.00	2.50%	\$ 250,000.00	
11										
12										
Total							\$ 20,121,915		\$ 983,839	

Notes

- 1 If financing is in place only part of the year, separately calculate the pro-rated interest in the year and input in the cell.
- 2 Input actual or deemed
- 3 Add more lines above row 12 if necessary.

Year 2017

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	Town of Ingersol	Affiliated	Fixed	2-Apr-04	Demand	\$ 3,402,080.00	7.25%	\$ 246,650.80	
2	Promissory Note	Municipality of Central Elgin	Affiliated	Fixed	2-Apr-04	Demand	\$ 806,436.00	7.25%	\$ 58,466.61	
3	Promissory Note	Township of East Zorra Tavistock	Affiliated	Fixed	2-Apr-04	Demand	\$ 569,073.00	7.25%	\$ 41,257.79	
4	Promissory Note	Township of Southwest Oxford	Affiliated	Fixed	2-Apr-04	Demand	\$ 192,062.00	7.25%	\$ 13,924.50	
5	Promissory Note	Town of Aylmer	Affiliated	Fixed	2-Apr-04	Demand	\$ 1,694,863.00	7.25%	\$ 122,877.57	
6	Promissory Note	Township of Zorra	Affiliated	Fixed	2-Apr-04	Demand	\$ 610,255.00	7.25%	\$ 44,243.49	
7	Promissory Note	Township of Norwich	Affiliated	Fixed	2-Apr-04	Demand	\$ 763,755.00	7.25%	\$ 55,372.24	
8	Promissory Note	Municipality of West Perth	Affiliated	Fixed	2-Apr-04	Demand	\$ 2,083,391.00	7.25%	\$ 151,045.85	
9	Promissory Note	ERTH Corporation	Affiliated	Fixed	12-31-2015	NA	\$ 10,000,000.00	2.50%	\$ 250,000.00	
10	Promissory Note	ERTH Corporation	Affiliated	Fixed	12-31-2017	NA	\$ 1,650,000.00	2.50%	\$ 41,250.00	
11										
Total							\$ 21,771,915		\$ 1,025,089	

Notes

- 1 If financing is in place only part of the year, separately calculate the pro-rated interest in the year and input in the cell.
- 2 Input actual or deemed
- 3 Add more lines above row 12 if necessary.

Year 2018

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	Town of Ingersol	Affiliated	Fixed	2-Apr-04	Demand	\$ 3,402,080.00	7.25%	\$ 246,650.80	
2	Promissory Note	Municipality of Central Elgin	Affiliated	Fixed	2-Apr-04	Demand	\$ 806,436.00	7.25%	\$ 58,466.61	
3	Promissory Note	Township of East Zorra Tavistock	Affiliated	Fixed	2-Apr-04	Demand	\$ 569,073.00	7.25%	\$ 41,257.79	
4	Promissory Note	Township of Southwest Oxford	Affiliated	Fixed	2-Apr-04	Demand	\$ 192,062.00	7.25%	\$ 13,924.50	
5	Promissory Note	Town of Aylmer	Affiliated	Fixed	2-Apr-04	Demand	\$ 1,694,863.00	7.25%	\$ 122,877.57	
6	Promissory Note	Township of Zorra	Affiliated	Fixed	2-Apr-04	Demand	\$ 610,255.00	7.25%	\$ 44,243.49	
7	Promissory Note	Township of Norwich	Affiliated	Fixed	2-Apr-04	Demand	\$ 763,755.00	7.25%	\$ 55,372.24	
8	Promissory Note	Municipality of West Perth	Affiliated	Fixed	2-Apr-04	Demand	\$ 2,083,391.00	7.25%	\$ 151,045.85	
9	Promissory Note	ERTH Corporation	Affiliated	Fixed	12-31-2015	NA	\$ 10,000,000.00	2.50%	\$ 250,000.00	
10	Promissory Note	ERTH Corporation	Affiliated	Fixed	12-31-2017	NA	\$ 1,650,000.00	2.50%	\$ 41,250.00	
11	Promissory Note	ERTH Corporation	Affiliated	Fixed	12-31-2018	NA	\$ 1,750,000.00	2.50%	\$ 43,750.00	
Total							\$ 23,521,915		\$ 1,068,838.84	

Notes

- 1 If financing is in place only part of the year, separately calculate the pro-rated interest in the year and input in the cell.
- 2 Input actual or deemed
- 3 Add more lines above row 12 if necessary.



Attachment 11 (of 11):

5-K Appendices 2-OA

File Number: 2017-0038
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Appendix 2-OA Capital Structure and Cost of Capital

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

Year: 2018

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	56.00%	\$22,565,790	3.72%	\$839,447
2	Short-term Debt	4.00% (1)	\$1,611,842	1.76%	\$28,368
3	Total Debt	60.0%	\$24,177,632	3.59%	\$867,816
	Equity				
4	Common Equity	40.00%	\$16,118,422	8.78%	\$1,415,197
5	Preferred Shares		\$ -		\$ -
6	Total Equity	40.0%	\$16,118,422	8.78%	\$1,415,197
7	Total	100.0%	\$40,296,054	5.67%	\$2,283,013

Notes
 (1)

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

