



EXHIBIT 5
COST OF CAPITAL AND
RATE OF RETURN

Table of Contents

5.0 Cost of Capital and Capital Structure Overview	2
5.1 Capital Structure.	3
5.1.2 Short Term Debt.	7
5.1.3 Return on Equity	8
5.1.4 Notional Debt	8
5.2 For-Profit Status	10
Appendix 5-1OEB Appendix 2-OA	11
Appendix 5-2OEB Appendix 2-OB	13
Appendix 5-3City of Niagara Falls Promissory Note	16
Appendix 5-4Niagara Falls Hydro Holding Corporation Promissory Note	18
Appendix 5-5City of Niagara Falls Demand Letter	20
Appendix 5-6Niagara Falls Hydro Holding Corporation Demand Letter	22
Appendix 5-7RRR 2.1.13 Reconciliation of RRR to Audited Financial Statements (2019)	24

Exhibit 5: Cost Of Capital And Rate Of Return

Tab 1 (of 2): Cost of Capital and Rate of Return

1 **COST OF CAPITAL AND CAPITAL STRUCTURE**

2 **5.0 Cost of Capital and Capital Structure Overview**

3 In this Exhibit, NPEI is providing evidence regarding its capital structure, component
4 costs, and the calculation of return on equity and debt for the 2021 Test Year. This
5 Exhibit has been prepared in a manner consistent with the Report of the Board on Cost
6 of Capital for Ontario's Regulated Utilities (EB-2009-0084) issued December 11, 2009
7 (Cost of Capital Report). NPEI has relied on the Board's letter titled "Cost of Capital
8 Parameter Updates for 2020 Applications" dated October 31, 2019 for the cost of capital
9 parameters. NPEI acknowledges that these rates are subject to update at such time as
10 the 2021 Cost of Capital parameters are issued by the Board.

11

12 NPEI was formed as a result of the amalgamation between the former Niagara Falls
13 Hydro and the former Peninsula West Utilities on January 1, 2008. NPEI is a subsidiary
14 of Niagara Falls Hydro Holding Corporation (74.5%), which is owned 100% by the City of
15 Niagara Falls and Peninsula West Power Inc. (25.5%) which is owned by the Town of
16 Lincoln (57%), The Township of West Lincoln (24%) and the Town of Pelham (17%).
17 Share capital consists of 1,000 common shares in the amount of \$31,245,882.

18

19 Since NPEI last filed a Cost of Service rate application in September of 2014 (EB-2014-
20 0096), there have been no additional issuances or redemption of any type of shares
21 (common or preferred) or debt and as such, there has been no profit or loss associated
22 with the redemption of shares or debt.

23

24 The purpose of this evidence is to summarize the method and cost of financing capital
25 requirements for the 2021 Test Year.

26

1 **5.1 Capital Structure**

2 NPEI has a current deemed capital structure of 60% debt (56% long term debt and 4%
 3 short term debt) and 40% equity. The current short and long-term debt rates are
 4 deemed at 2.16% and 3.92% respectively and deemed return on equity of 9.30% as
 5 approved in its 2015 Cost of Service decision EB-2014-0096.

6
 7 Filing requirements Appendix 2-OA and Appendix 2-OB have been filed in live Excel
 8 format (EB-2020-0040_NPEI_Appl_2020_Filing_Req_Chap2_Appendices_20200430)
 9 and are attached to this document as Appendix 5-1 and Appendix 5-2.

10

11 Table 5.1-1 details NPEI's proposed deemed capital structure for 2021:

12

13 **Table 5.1-1-Deemed Capital Structure**

14

Particulars	Capitalization Ratio		Cost Rate		Return	
	(%)	(\$)	(%)		(\$)	
Debt						
Long-term Debt	56.00%	\$95,173,235	2.84%		\$2,701,011	
Short-term Debt	4.00% (1)	\$6,798,088	2.75%		\$186,947	
Total Debt	60.0%	\$101,971,323	2.83%		\$2,887,958	
Equity						
Common Equity	40.00%	\$67,980,882	8.52%		\$5,791,971	
Preferred Shares	0.00%	\$ -	0.00%		\$ -	
Total Equity	40.0%	\$67,980,882	8.52%		\$5,791,971	
Total	100.0%	\$169,952,205	5.11%		\$8,679,929	

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17
 18 NPEI is requesting a deemed short-term interest expense of \$186,947, deemed long-
 19 term interest expense of \$2,701,011 and a deemed return on equity (ROE) of
 20 \$5,791,971 for a total regulated return on capital of \$8,679,929 for the 2021 Test Year.

21

1 **5.1.1 Long-Term Debt**

2 The City of Niagara Falls and Niagara Falls Hydro Holding Corporation held promissory
3 notes in the amount of \$22,000,000 and \$3,605,090. These two twenty-year promissory
4 notes as attached in Appendix 5-3 and Appendix 5-4 were due in April 2020. In July
5 2019, both the City of Niagara Falls and Niagara Falls Hydro Holding Corporation
6 formally demanded payment of the respective promissory notes on or before August 1,
7 2019. See Appendices 5-5 and 5-6 detailing demand for repayment. NPEI issued an
8 RFP to refinance both of these promissory notes. The new loan is a fixed rate, ten-year,
9 monthly interest only repayment loan. The two promissory notes interest rate was the
10 “established rate”. The “established rate” is defined as the rate at which the Ontario
11 Energy Board permitted NPEI to pay for rate making purposes in the establishment of
12 distribution rates. The new loan carries an interest rate of 2.76%. NPEI does not intend
13 to buy back any common shares. The changes in the actual capital structure are mainly
14 due to the growing rate base. For the 2021 Test Year, NPEI does not have any affiliated
15 debt.

16
17 Since 2015, NPEI has increased its debt position by \$20,639,533 (82,106,692 –
18 61,467,159). The new debt includes a twenty-million-dollar loan in 2016 for a period of
19 ten years at an interest rate of 2.60% with monthly interest only repayments and in 2019,
20 an eight-million-dollar amortizing loan over a five-year term and a ten-year amortization
21 period at an interest rate of 2.698% with monthly principal and interest repayments. The
22 new debt was incurred for general cash purposes and capital expenditures. NPEI does
23 not intend to have any new borrowings in 2020 or the 2021 Test Year. NPEI will
24 endeavor to find competitive financing to support its operations in the future when
25 financing its operations becomes necessary. Any new debt related to a new transformer
26 station will be incurred at the time the station is constructed. Currently, NPEI has not
27 included a new transformer station as part of its DSP in the next five years. The debt
28 rate details of each debt instrument are in Appendix 5-2. All of NPEI’s debt instruments
29 are held by third parties. NPEI has an inter-creditor agreement between Meridian Credit
30 Union, TD Bank and Scotiabank which was signed in September 2016.

31

1 NPEI's Debt to Equity Ratio as calculated for the OEB annual yearbook is illustrated
 2 below in Table 5.1.1-1.

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 5

Table 5.1.1-1 Debt to Equity Ratio

Debt to Equity Ratio							
	2015	2016	2017	2018	2019	2020	2021
	Actual	Actual	Actual	Actual	Actual	Bridge Year	Test Year
Current Portion of LTD	1,420,498	11,466,355	11,513,893	11,123,823	1,044,472	727,938	747,292
Long-Term Debt	34,441,572	42,975,217	41,461,323	40,337,500	82,834,630	82,106,692	81,359,400
Affiliate Debt	25,605,090	25,605,090	25,605,090	25,605,090	-	-	-
Total Debt	61,467,160	80,046,662	78,580,306	77,066,413	83,879,102	82,834,630	82,106,692
Share capital	31,245,882	31,245,882	31,245,882	31,245,882	31,245,882	31,245,882	31,245,882
Contributed Surplus	6,705,305	6,705,305	6,705,305	6,705,305	6,705,305	6,705,305	6,705,305
Retained Earnings	37,333,976	41,091,539	42,657,183	45,670,877	47,046,452	48,568,925	50,258,067
Total Shareholders Equity	75,285,163	79,042,726	80,608,370	83,622,064	84,997,639	86,520,112	88,209,254
Debt to Equity Ratio							
Agreed to OEB Yearbook	0.82	1.01	0.97	0.92	0.99	0.96	0.93

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The current portion of LTD and the sum of the Long-Term Debt and Affiliate Debt agree to NPEI's audited year-end financial statements from 2015 to 2019. The Shareholder's Equity used to calculate the Debt to Equity Ratio for the OEB yearbook varies from NPEI's audited year-end financial statements. The Shareholder's Equity as per the audited financial statements includes the contributed capital on amalgamation and the Retained Earnings includes the Depreciation expense on the fair value bump on amalgamation. Table 5.1.1-2 below reconciles the Shareholder's Equity included in the OEB yearbook to the Shareholder's Equity as per the audited financial statements. Appendix 5-7 details the annual RRR 2.1.13 filing for 2019.

1

Table 5.1.1-2 Reconciliation of Shareholder's Equity

	2015	2016	2017	2018	2019	2020	2021
	Actual	Actual	Actual	Actual	Actual	Bridge Year	Test Year
OEB year Book							
Share capital	31,245,882	31,245,882	31,245,882	31,245,882	31,245,882	31,245,882	31,245,882
Contributed Surplus	6,705,305	6,705,305	6,705,305	6,705,305	6,705,305	6,705,305	6,705,305
Retained Earnings	37,333,976	41,091,539	42,657,183	45,670,877	46,641,770	48,164,242	49,853,177
Total Shareholders Equity per OEB yearbook	75,285,163	79,042,726	80,608,370	83,622,064	84,592,957	86,115,429	87,804,364
Audited FS							
Share capital Per Audited FS	31,245,882	31,245,882	31,245,882	31,245,882	31,245,882	31,245,882	31,245,882
Contributed Surplus Per Audited FS	25,459,207	25,459,207	25,459,207	25,459,207	25,459,207	25,459,207	25,459,207
Retained Earnings Per Audited FS	31,188,757	33,861,775	34,383,438	36,333,330	36,257,548	36,754,065	37,436,131
Total Shareholder's equity per audited FS	87,893,846	90,566,864	91,088,527	93,038,419	92,962,637	93,459,154	94,141,220
Difference	(12,608,683)	(11,524,138)	(10,480,157)	(9,416,355)	(8,369,680)	(7,343,725)	(6,336,855)
<u>Difference By Component</u>							
Share capital	0	0	0	0	0	0	0
Contributed Surplus on amalgamation	(18,753,902)	(18,753,902)	(18,753,902)	(18,753,902)	(18,753,902)	(18,753,902)	(18,753,902)
Retained Earnings (LTD Depreciation expensed on fair value bump in amalgamation-since Jan 1, 2008)	5,056,363	6,145,219	7,229,764	8,273,745	9,337,547	10,384,222	11,410,178
Depreciation expense on fair value bump in amalgamation	1,088,856	1,084,545	1,043,981	1,063,802	1,046,675	1,025,957	1,006,869
	6,145,219	7,229,764	8,273,745	9,337,547	10,384,222	11,410,178	12,417,047
	(12,608,683)	(11,524,138)	(10,480,157)	(9,416,355)	(8,369,681)	(7,343,724)	(6,336,855)
Depreciation expense on fair value bump in amalgamation							
Retained Earnings net adjustment on amalgamatic	(2,898,504)						
2008	1,156,068						
2009	1,108,989						
2010	1,233,802						
2011	1,086,669						
2012	1,137,424						
2013	1,132,277						
2014	1,099,638						
	5,056,363						

2

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4 As per the Cost of Capital Parameter Updates for 2020 Cost of Service Applications
5 issued by the Board on October 31, 2019 the deemed Long-Term debt rate is 3.21%.
6 NPEI is requesting a return on long-term debt for the 2021 Test Year using its actual
7 weighted average debt rate of 2.84%.

1 The amount of deemed debt in excess of the current long-term debt is calculated as the
2 amount of the calculated deemed debt less the actual amount of long-term debt. The
3 actual long-term debt is comprised of NPEI's actual third party debt.

4 **Table 5.1.1-3 Deemed Debt in Excess of Current Long-Term Debt**

5

Deemed Debt in Excess of Current Long-Term Debt	
Deemed Long Term Debt Percentage	56%
2021 Rate Base	169,952,205
Deemed Long Term Debt	95,173,235
Actual Third Party Debt as 12/31/2021	82,106,692
Notional Debt	13,066,543

6

7

8 **5.1.2 Short Term Debt**

9 NPEI has available to it an operating line of credit facility in the amount of \$10,000,000
10 with Scotiabank. The interest rate is the Bank's Prime Lending Rate with a minimum of
11 \$500,000 may be borrowed at any one time. The balance was nil as at December 31,
12 2019 and it is projected to be nil as at December 31, 2020 and 2021.

13

14 NPEI is requesting a Short-Term Debt rate of 2.75% for the 2021 Test Year in
15 accordance with the Cost of Capital Parameter Updates for 2020 Cost of Service
16 Applications issued by the Board on October 31, 2019. NPEI understands that the
17 Board may provide future updates to the Cost of Capital parameters applicable to 2021
18 Cost of Service Applications. NPEI's use of a Return on Short Term Debt of 2.75% is
19 without prejudice to any revisions that may be adopted by the Board in late 2020.

1 **5.1.3 Return on Equity**

2 NPEI is requesting a ROE for the 2020 Test Year of 8.52% in accordance with the Cost
3 of Capital Parameter Updates for 2020 Cost of Service Applications issued by the OEB
4 on October 31, 2019. NPEI understands that the Board may provide future updates to
5 the Cost of Capital parameters applicable to 2021 Cost of Service Applications. NPEI's
6 use of a ROE of 8.52% is without prejudice to any revised ROE that may be adopted by
7 the Board in late 2020.

8

9 **5.1.4 Notional Debt**

10 NPEI's deemed and actual long-term debt are different. For the 2021 Test Year, the
11 actual amount of Long-Term Debt is \$82,106,692 and the deemed long-term debt is
12 \$95,173,235 (see Table 5.1.1-3). NPEI has positive notional debt. NPEI is requesting
13 the weighted average cost of actual long-term debt on its notional debt rather than the
14 current long-term debt rate issued by the Board. As shown in Table 5.1.1-3, NPEI has
15 \$13,066,543 in notional debt for the 2021 Test Year.

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17

Exhibit 5: Cost Of Capital And Rate Of Return

Tab 2 (of 2): Not-for-Profit Corporations

1

DECLARATION OF FOR-PROFIT STATUS

2

3 5.2 For-Profit Status

4

5 Niagara Peninsula Energy Inc. ("NPEI") is a For-Profit Corporation.

Appendix 5-1

OEB Appendix 2-OA

File Number: EB-2020-0040
 Exhibit: 5
 Tab: 1
 Schedule: 1
 Page:
 Date: 8/31/2020

Appendix 2-OA Capital Structure and Cost of Capital

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

Test Year: 2021

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Debt					
1	Long-term Debt	56.00%	\$95,173,235	2.84%	\$2,701,011
2	Short-term Debt	4.00% (1)	\$6,798,088	2.75%	\$186,947
3	Total Debt	60.0%	\$101,971,323	2.83%	\$2,887,958
Equity					
4	Common Equity	40.00%	\$67,980,882	8.52%	\$5,791,971
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.0%	\$67,980,882	8.52%	\$5,791,971
7	Total	100.0%	\$169,952,205	5.11%	\$8,679,929

Notes

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

Last OEB-approved year: 2015

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Debt					
1	Long-term Debt	56.00%	\$78,378,560	3.92%	\$3,074,791
2	Short-term Debt	4.00% (1)	\$5,598,469	2.16%	\$120,927
3	Total Debt	60.0%	\$83,977,028	3.81%	\$3,195,718
Equity					
4	Common Equity	40.00%	\$55,984,686	9.30%	\$5,206,576
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.0%	\$55,984,686	9.30%	\$5,206,576
7	Total	100.0%	\$139,961,714	6.00%	\$8,402,293

Notes

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

Appendix 5-2

OEB Appendix 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	Long Term Note Payable	City of Niagara Falls	Affiliated	Fixed Rate	1-Apr-00	20	\$ 22,000,000	0.0477	\$ 1,049,400.00	
2	Long Term Note Payable	Niagara Falls Hydro Holding Corporation	Affiliated	Fixed Rate	1-Apr-00	20	\$ 3,605,090	0.0477	\$ 171,962.79	
3	Term Loan payable	TD Bank	Third-Party	Fixed Rate	19-Jul-09	10	\$ 3,724,569	0.0458	\$ 193,728.07	
4	Non-revolving term loan payable	Scotiabank	Third-Party	Fixed Rate	30-Sep-10	5	\$ -	0.0497	\$ 90,905.04	
5	Non-revolving term loan payable	Scotiabank	Third-Party	Fixed Rate	30-Sep-15	5	\$ 2,137,500	0.0267	\$ 14,727.97	
6	Term Loan payable	TD Bank	Third-Party	Fixed Rate	27-Jun-12	5	\$ 10,000,000	0.028	\$ 280,000.00	
7	Term Loan payable	TD Bank	Third-Party	Fixed Rate	3-Dec-13	5	\$ 10,000,000	0.02933	\$ 293,300.00	
8	Term Loan payable	TD Bank	Third-Party	Fixed Rate	13-Nov-14	5	\$ 10,000,000	0.02663	\$ 266,300.00	
9									\$ -	
10									\$ -	
Total							\$ 61,467,159	3.84%	\$ 2,360,323.87	

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 subsequent update issued by the OEB.
- 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	Long Term Note Payable	City of Niagara Falls	Affiliated	Fixed Rate	1-Apr-00	20	\$ 22,000,000	0.0477	\$ 1,049,400.00	
2	Long Term Note Payable	Niagara Falls Hydro Holding Corporation	Affiliated	Fixed Rate	1-Apr-00	20	\$ 3,605,090	0.0477	\$ 171,962.79	
3	Term Loan payable	TD Bank	Third-Party	Fixed Rate	19-Jul-09	10	\$ 2,754,072	0.0458	\$ 150,805.10	
4	Non-revolving term loan payable	Scotiabank	Third-Party	Fixed Rate	30-Sep-15	5	\$ 1,687,500	0.0267	\$ 51,708.32	
5	Term Loan payable	TD Bank	Third-Party	Fixed Rate	27-Jun-12	5	\$ 10,000,000	0.028	\$ 280,767.62	
6	Term Loan payable	TD Bank	Third-Party	Fixed Rate	3-Dec-13	5	\$ 10,000,000	0.02933	\$ 294,104.06	
7	Term Loan payable	TD Bank	Third-Party	Fixed Rate	13-Nov-14	5	\$ 10,000,000	0.02663	\$ 267,029.83	
8	Term Loan payable	Meridian Credit Unio	Third-Party	Fixed Rate	13-Sep-16	10	\$ 20,000,000	0.026	\$ 151,013.84	
9									\$ -	
10									\$ -	
Total							\$ 80,046,662	3.02%	\$ 2,416,791.56	

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 subsequent update issued by the OEB.
- 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	Long Term Note Payable	City of Niagara Falls	Affiliated	Fixed Rate	1-Apr-00	20	\$ 22,000,000	0.0477	\$ 1,049,400.00	
2	Long Term Note Payable	Niagara Falls Hydro Holding Corporation	Affiliated	Fixed Rate	1-Apr-00	20	\$ 3,605,090	0.0477	\$ 171,962.79	
3	Term Loan payable	TD Bank	Third-Party	Fixed Rate	19-Jul-09	10	\$ 1,737,717	0.0458	\$ 104,948.23	
4	Non-revolving term loan payable	Scotiabank	Third-Party	Fixed Rate	30-Sep-15	5	\$ 1,237,500	0.0267	\$ 39,836.05	
5	Term Loan payable	TD Bank	Third-Party	Fixed Rate	27-Jun-12	5	\$ -	0.028	\$ 139,616.41	
6	Term Loan payable	TD Bank	Third-Party	Fixed Rate	27-Jun-22	10	\$ 10,000,000	0.0281	\$ 140,868.47	
7	Term Loan payable	TD Bank	Third-Party	Fixed Rate	3-Dec-13	5	\$ 10,000,000	0.02933	\$ 293,300.00	
8	Term Loan payable	TD Bank	Third-Party	Fixed Rate	13-Nov-14	5	\$ 10,000,000	0.02663	\$ 266,300.00	
9	Term Loan payable	Meridian Credit Unio	Third-Party	Fixed Rate	13-Sep-16	10	\$ 20,000,000	0.026	\$ 520,000.00	
10									\$ -	
Total							\$ 78,580,307	3.47%	\$ 2,726,231.95	

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 subsequent update issued by the OEB.
- 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	Long Term Note Payable	City of Niagara Falls	Affiliated	Fixed Rate	1-Apr-00	20	\$ 22,000,000	0.0477	\$ 1,049,400.00	
2	Long Term Note Payable	Niagara Falls Hydro Holding Corporation	Affiliated	Fixed Rate	1-Apr-00	20	\$ 3,605,090	0.0477	\$ 171,962.79	
3	Term Loan payable	TD Bank	Third-Party	Fixed Rate	19-Jul-09	10	\$ 673,823	0.0458	\$ 57,411.11	
4	Non-revolving term loan payable	Scotiabank	Third-Party	Fixed Rate	30-Sep-15	5	\$ 787,500	0.0267	\$ 27,288.37	
6	Term Loan payable	TD Bank	Third-Party	Fixed Rate	27-Jun-22	10	\$ 10,000,000	0.0281	\$ 281,000.00	
7	Term Loan payable	TD Bank	Third-Party	Fixed Rate	3-Dec-13	5	\$ -	0.02933	\$ 271,603.84	
8	Term Loan payable	TD Bank	Third-Party	Fixed Rate	3-Dec-13	10	\$ 10,000,000	0.03671	\$ 25,334.58	
7	Term Loan payable	TD Bank	Third-Party	Fixed Rate	13-Nov-14	5	\$ 10,000,000	0.02663	\$ 266,300.00	
8	Term Loan payable	Meridian Credit Unio	Third-Party	Fixed Rate	13-Sep-16	10	\$ 20,000,000	0.026	\$ 521,424.53	

9										\$ -
10										\$ -
11										\$ -
12										\$ -
Total										\$ 77,066,413 3.47% \$ 2,671,725.21

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 subsequent update issued by the OEB.
- 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	Long Term Note Payable	City of Niagara Falls	Affiliated	Fixed Rate	1-Apr-00	20	\$ -	0.0477	\$ 612,150.00	
2	Long Term Note Payable	Niagara Falls Hydro Holding Corporation	Affiliated	Fixed Rate	1-Apr-00	20	\$ -	0.0477	\$ 100,311.89	
3	Term Loan payable	TD Bank	Third-Party	Fixed Rate	19-Jul-09	10	\$ -	0.0458	\$ 11,681.27	
4	Non-revolving term loan payable	Scotiabank	Third-Party	Fixed Rate	30-Sep-15	5	\$ 337,500	0.0267	\$ 15,443.88	
5	Term Loan payable	TD Bank	Third-Party	Fixed Rate	27-Jun-17	10	\$ 10,000,000	0.0281	\$ 281,000.00	
6	Term Loan payable	TD Bank	Third-Party	Fixed Rate	3-Dec-18	10	\$ 10,000,000	0.03671	\$ 367,100.00	
7	Term Loan payable	TD Bank	Third-Party	Fixed Rate	13-Nov-14	5	\$ -	0.02663	\$ 239,305.20	
8	Term Loan payable	Scotiabank	Third-Party	Fixed Rate	6-Nov-19	5	\$ 10,000,000	0.02698	\$ 40,654.79	
9	Term Loan payable	Meridian Credit Union	Third-Party	Fixed Rate	13-Sep-16	10	\$ 20,000,000	0.026	\$ 520,000.00	
10	Term Loan payable	TD Bank	Third-Party	Fixed Rate	1-Aug-19	10	\$ 25,600,000	0.0276	\$ 236,165.26	
11	Term Loan payable	Scotiabank	Third-Party	Fixed Rate	6-Nov-19	5	\$ 7,941,602	0.02698	\$ 17,740.44	
9									\$ -	
Total							\$ 83,879,102	2.91%	\$ 2,441,552.73	

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 subsequent update issued by the OEB.
- 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	Non-revolving term loan payable	Scotiabank	Third-Party	Fixed Rate	30-Sep-15	5	\$ -	0.0267	\$ 3,771.94	
2	Term Loan payable	TD Bank	Third-Party	Fixed Rate	27-Jun-17	10	\$ 10,000,000	0.0281	\$ 281,000.00	
3	Term Loan payable	TD Bank	Third-Party	Fixed Rate	3-Dec-18	10	\$ 10,000,000	0.03671	\$ 367,100.00	
5	Term Loan payable	Scotiabank	Third-Party	Fixed Rate	6-Nov-19	5	\$ 10,000,000	0.02698	\$ 269,800.00	
6	Term Loan payable	Meridian Credit Union	Third-Party	Fixed Rate	13-Sep-16	10	\$ 20,000,000	0.026	\$ 520,000.00	
7	Term Loan payable	TD Bank	Third-Party	Fixed Rate	1-Aug-19	10	\$ 25,600,000	0.0276	\$ 706,560.00	
8	Term Loan payable	Scotiabank	Third-Party	Fixed Rate	6-Nov-19	5	\$ 7,234,630	0.02698	\$ 206,689.80	
9									\$ -	
Total							\$ 82,834,630	2.84%	\$ 2,354,921.74	

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 subsequent update issued by the OEB.
- 3 Add more lines above row 12 if necessary.

Test 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
2	Term Loan payable	TD Bank	Third-Party	Fixed Rate	27-Jun-17	10	\$ 10,000,000	0.0281	\$ 281,000.00	
3	Term Loan payable	TD Bank	Third-Party	Fixed Rate	3-Dec-18	10	\$ 10,000,000	0.03671	\$ 367,100.00	
5	Term Loan payable	Scotiabank	Third-Party	Fixed Rate	6-Nov-19	5	\$ 10,000,000	0.02698	\$ 269,800.00	
6	Term Loan payable	Meridian Credit Union	Third-Party	Fixed Rate	13-Sep-16	10	\$ 20,000,000	0.026	\$ 520,000.00	
7	Term Loan payable	TD Bank	Third-Party	Fixed Rate	1-Aug-19	10	\$ 25,600,000	0.0276	\$ 706,560.00	
8	Term Loan payable	Scotiabank	Third-Party	Fixed Rate	6-Nov-19	5	\$ 6,506,692	0.02698	\$ 185,723.13	
9									\$ -	
Total							\$ 82,106,692	2.84%	\$ 2,330,183.13	

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 subsequent update issued by the OEB.
- 3 Add more lines above row 12 if necessary.

Appendix 5-3

City of Niagara Falls Promissory Note

PROMISSORY NOTE

COPY

Due: April 1, 2020

FOR VALUE RECEIVED, Niagara Falls Hydro Inc. ("WiresCo") hereby promises to pay to or to the order of the City of Niagara Falls (the "City") the principal sum of twenty-two million dollars (\$22,000,000.00) with interest at the rate specified herein, either upon demand by the City or on April 1, 2020 (the "Maturity Date").

Interest on the principal sum shall accrue from April 1, 2000 and be payable at a rate of seven and one-quarter percent (7¼ %) per annum, based on the interest rate for third party financing which the Ontario Energy Board or its successor may permit regulated distribution corporations to recover for rate making purposes.

Interest at the aforesaid rate shall be payable in quarterly installments, by means of an electronic funds transfer to the City, with the first of such payments commencing on June 30, 2000.

At the option of the City, on one year's prior written notice to WiresCo, the Maturity Date and any of the terms of this Promissory Note may be revised, changed or restated by the City in consultation with WiresCo.

This Promissory Note may, at the option of the City, be converted, as to some or all of the principal sum outstanding, into common shares of WiresCo at a conversion ratio of \$100 per share. The foregoing conversion right may be exercised by the City at any time on 90 days prior written notice to WiresCo.

The terms of this Promissory Note are subject to the adjustment provisions of the Transfer By-law passed by the City of Niagara Falls on May 8, 2000 as By-law No.2000-97.

This Promissory Note is not assignable by the City without the consent of WiresCo.

DATED this 26th day of September, 2000.

NIAGARA FALLS HYDRO INC.

Per:

[Signature]
Authorized Signing Officer

[Signature]
Authorized Signing Officer

Appendix 5-4

Niagara Falls Hydro Holding Corporation Promissory Note

PROMISSORY NOTE

Due: April 1, 2020

FOR VALUE RECEIVED, Niagara Falls Hydro Inc. ("WiresCo") hereby promises to pay to or to the order of the Niagara Falls Hydro Holding Corporation ("HoldCo") the principal sum of Three Million Six Hundred and Five Thousand and Ninety Dollars (\$3,605,090.00) with interest at the rate specified herein, either upon demand by HoldCo or on April 1, 2020 (the "Maturity Date").

Interest on the principal sum shall accrue from April 1, 2000 and be payable at a rate of seven and one-quarter percent (7¼ %) per annum, based on the interest rate for third party financing which the Ontario Energy Board or its successor may permit regulated distribution corporations to recover for rate making purposes.

Interest at the aforesaid rate shall be payable in quarterly installments, by means of an electronic funds transfer to HoldCo, with the first of such payments commencing on June 30, 2000.

At the option of HoldCo, on one year's prior written notice to WiresCo, the Maturity Date and any of the terms of this Promissory Note may be revised, changed or restated by HoldCo in consultation with WiresCo.

This Promissory Note may, at the option of HoldCo, be converted, as to some or all of the principal sum outstanding, into common shares of WiresCo at a conversion ratio of \$100 per share. The foregoing conversion right may be exercised by HoldCo at any time on 90 days prior written notice to WiresCo.

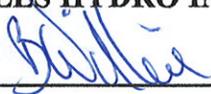
The terms of this Promissory Note are subject to the adjustment provisions of the Transfer By-law passed by the City of Niagara Falls on May 8, 2000 as By-law No.2000-97.

This Promissory Note is not assignable by HoldCo without the consent of WiresCo.

This Promissory Note replaces a promissory note in the principal amount of \$5,000,000.00 previously issued by WiresCo to HoldCo pursuant to the provisions of the said Transfer By-law.

DATED this 24th day of July, 2001.

NIAGARA FALLS HYDRO INC.

per: 
President

per: 
Treasurer

Appendix 5-5

City of Niagara Falls Demand Letter



Niagara Peninsula Energy Inc.
EB-2020-0040
Filed: August 31, 2020
4310 Queen St.
Niagara Falls, ON L2E 6X5
(905) 356-7521 ext. 4286
www.niagarafalls.ca

July 23, 2019

DELIVERED

Niagara Peninsula Energy Inc.
7447 Pin Oak Drive
Niagara Falls, ON L2E 6S9

Dear Sirs:

Re: Promissory Note dated September 26, 2000 (the "Note") made by Niagara Falls Hydro Inc., a predecessor of Niagara Peninsula Energy Inc. (the "Debtor") in favour of The City of Niagara Falls (the "City") in the principal amount of \$22,000,000

Pursuant to the Note, the Debtor is indebted to the Lender in the principal amount of \$22,000,000. The principal sum under the Note with interest is thereon at the rate specified therein is due either upon demand by the Lender or on April 1, 2020.

The City formally demands payment of all amounts owing under the Note on or before August 1, 2019 (the "Due Date") unless such Due Date is extended by the City in writing prior to the then current Due Date. The Due Date may not be extended beyond April 1, 2020. If payment in full is not made by the Debtor to the City on the Due Date, the City will then be entitled to take such steps as it sees fit to collect all the amounts owing under the Note.

Yours truly,

THE CITY OF NIAGARA FALLS

Per: 

Name: James M. Diodati
Title: Mayor

Per: 

Name: William G. Matson
Title: City Clerk

Appendix 5-6

Niagara Falls Hydro Holding Corporation Demand Letter

*Niagara Falls Hydro Holding Corporation
4310 Queen Street, P.O. Box 1023
Niagara Falls, Ontario
L2E 6X5*

July 8, 2019

DELIVERED

Niagara Peninsula Energy Inc.
7447 Pin Oak Drive
Niagara Falls, ON L2E 6S9

Dear Sirs:

Re: Promissory Note dated July 24, 2001 (the "Note") made by Niagara Falls Hydro Inc., a predecessor of Niagara Peninsula Energy Inc. (the "Debtor") in favour of Niagara Falls Hydro Holding Corporation (the "Lender") in the principal amount of \$3,605,090

Pursuant to the Note, the Debtor is indebted to the Lender in the principal amount of \$3,605,090. The principal sum under the Note with interest is thereon at the rate specified therein is due either upon demand by the Lender or on April 1, 2020.

The Lender formally demands payment of all amounts owing under the Note on or before August 1, 2019 (the "**Due Date**") unless such Due Date is extended by the Lender in writing prior to the then current Due Date. The Due Date may not be extended beyond April 1, 2020. If payment in full is not made by the Debtor to the Lender on the Due Date, the Lender will then be entitled to take such steps as it sees fit to collect all the amounts owing under the Note.

Yours truly,

NIAGARA FALLS HYDRO HOLDING CORPORATION

Per: 

Ken Todd, CEO

Per: 

Tiffany Clark, Treasurer

Appendix 5-7

RRR 2.1.13 Reconciliation of RRR to Audited Financial Statements (2019)

Niagara Peninsula Energy Inc.
For the Twelve Months Ending December 31, 2019

RRR Part 1
Trial Balance Mapped to Financial Statement Grouping
2.1.13

	RRR = Financial Statements December 2019	Balance Sheet	Audited Actual Balance Sheet Total	Adjustments for FMV entry presentation on FS	RRR filed restituted for Regulatory	Balance Sheet restituted for Regulatory	Balance Sheet restituted for Regulatory
1005 Cash	11,883,520.29				11,883,520.29		
1010 Cash Advance and Working Funds	2,326.98	11,885,847.27			2,326.98	11,885,847.27	
1100 Custom Accounts Receivable	16,256,759.80				16,256,759.80		
1104 Accounts Receivable - Recoverable Work	1,446,411.79				1,446,411.79		
1110 Other Accounts Receivable	1,004,417.56				1,004,417.56		
2290 Commodity Taxes	1,746,185.77				1,746,185.77		
1130 Accumulated Provision for Uncollectible Accts	(701,019.03)	19,752,755.89			(701,019.03)	19,752,755.89	
1120 Accrued Utility Revenues	13,805,772.46	13,805,772.46			13,805,772.46	13,805,772.46	
1200 Accounts Receivable from Associated Companies	8,655.91				8,655.91		
2294 Accrual for Taxes, "Payments in Lieu" of Taxes	784,449.50	784,449.50			784,449.50	784,449.50	
1180 Prepayments	1,307,763.10				1,307,763.10		
1606 Organization	0.00	1,307,763.10		1,926.45	1,926.45	1,309,689.55	
1330 Plant Materials and Operating Supplies	1,444,522.97	1,444,522.97	48,989,767.10		1,444,522.97	1,444,522.97	48,991,693.55
1606 Organization	1,926.45			(1,926.45)	0.00		
1705 Land	82,347.02				82,347.02		
1708 Buildings and Fixtures	3,785,228.83				3,785,228.83		
1715 Station Equipment	3,042,173.68				3,042,173.68		
1735 Underground Conduit	1,090.59				1,090.59		
1740 Underground Conductors and Devices	138,793.40				138,793.40		
1805 Land	424,925.77				424,925.77		
1612 Land Rights	1,604,396.58				1,604,396.58		
1808 Buildings and Fixtures	111,638.13				111,638.13		
1815 Transformer Station Equipment - Normally Primary	77,002.22				77,002.22		
1820 Distribution Station Equipment - Normally Primary	7,119,637.20				7,119,637.20		
1830 Poles, Towers and Fixtures	55,805,804.34				55,805,804.34		
1835 Overhead Conductors and Devices	40,965,808.68				40,965,808.68		
1840 Underground Conduit	14,778,417.24				14,778,417.24		
1845 Underground Conductors and Devices	84,081,172.78			1,734,098.95	85,815,271.73		
1850 Line Transformers	47,369,900.05			578,032.98	47,947,933.03		
1855 Services	12,779,083.96				12,779,083.96		
1860 Meters	12,633,007.52				12,633,007.52		
1865 Other Installations on Customer's Premises	439.87				439.87		
1875 Street Lighting and Signal Systems	21,835.21				21,835.21		
1905 Land	508,969.83				508,969.83		
1908 Buildings and Fixtures	20,717,683.18				20,717,683.18		
1915 Office Furniture and Equipment	1,941,662.29				1,941,662.29		
1920 Computer Equipment-Hardware	5,395,891.54				5,395,891.54		
1930 Transportation Equipment	10,321,378.07				10,321,378.07		
1935 Stores Equipment	328,494.50				328,494.50		
1940 Tools, Shop and Garage Equipment	2,447,550.25				2,447,550.25		
1945 Measurement and Testing Equipment	204,006.18				204,006.18		
1955 Communication Equipment	1,593,239.00				1,593,239.00		
1960 Miscellaneous Equipment	72,951.31				72,951.31		
1980 System Supervisory Equipment	128,960.64				128,960.64		
2005 Property Under Capital Leases	143,036.00				143,036.00		
2060 Electric Plant Acquisition Adjustment	142,276.60				142,276.60		
2065 Other Electric Plant Adjustment	0.00			44,693,820.53	44,693,820.53		
2105 Accumulated Amortization of Electric Utility-Plant	(152,986,820.30)				(152,986,820.30)		
2140 Accumulated Amortization of Electric Plant	(142,276.60)				(142,276.60)		
2160 Accumulated Amortization of Other Utility Plant	0.00	175,641,632.01	175,641,632.01	(37,139,837.39)	(37,139,837.39)	185,505,820.63	
1910 Leasehold Improvements	120,252.32				120,252.32		
1611 Computer Software	5,116,350.89				5,116,350.89		
2120 Accumulated Amortization of Electric Utility Plant-Intangibles	(5,655,864.12)	(419,260.91)	(419,260.91)	815,694.91	(4,840,169.21)	396,434.00	
1495 Other Assets and Deferred Charges	15,895,547.14	15,895,547.14	15,895,547.14	(5,241,161.77)	10,654,385.37	10,654,385.37	196,556,640.00
1508 Other Regulatory Assets	(488,566.94)			748,270.83	259,703.89		

	RRR = Financial Statements December 2019	Balance Sheet	Audited Actual Balance Sheet Total	Adjustments for FMV entry presentation on FS	RRR filed restated for Regulatory	Balance Sheet restated for Regulatory	Balance Sheet restated for Regulatory
1495 Deferred Taxes-Non-current assets	0.00				5,241,161.77		
1550 Hydro One Low Voltage Variance	1,961,260.13					1,961,260.13	
1555 Smart Meter Capital and Recovery Variance	0.00					0.00	
1584 RSVA - NW	359,953.97					359,953.97	
1586 RSVA - CN	87,195.90					87,195.90	
1588 RSVA - Power	0.00					0.00	
1589 RSVA - GA Non-RPP	7,714.38					7,714.38	
1518 RCVA - Retail	109,953.45					109,953.45	
1548 RCVA - STR	374,472.58					374,472.58	
1557 Mist meter variance	83,183.45					83,183.45	
1568 LRAM variance	0.00					0.00	
1535 Smart Grid Deferral Account	0.00					0.00	
1595 Disposition and Recovery of Regulatory Balances	0.00	2,495,166.92	2,495,166.92	4,623.41	4,623.41	8,489,222.93	8,489,222.93
2205 Accounts Payable	(8,323,381.68)					(8,323,381.68)	
2250 Debt Retirement Charges DRC payable	0.00					0.00	
2256 Independent Market Operator Fees and Penalties	(11,140,317.31)					(11,140,317.31)	
2264 Pensions and Employee Benefits-Current Portion	(193,144.08)					(193,144.08)	
2290 Commodity Taxes	0.00					0.00	
2292 Payroll Deductions/Expenses Payable	(727.02)	(19,657,570.09)			(727.02)	(19,657,570.09)	
2210 Current portion of customer deposits	(1,410,029.02)					(1,410,029.02)	
2320 Other Miscellaneous Non-current liabilities	(37,334.17)	(1,447,363.19)			(37,334.17)	(1,447,363.19)	
2220 Miscellaneous Current and Accrued Liabilities	0.00					0.00	
2425 Other Deferred Credits	(1,099,095.14)					(1,099,095.14)	
2294 Accrual for Taxes,"Payments in Lieu"of Taxes	0.00			0.00	0.00	0.00	
2210 Current portion of Customer deposits	0.00					0.00	
2240 Accounts Payable to Associated Companies	0.00					0.00	
2260 Current Portion of Long Term Debt	(1,044,471.77)	(1,044,471.77)	(23,248,500.19)		(1,044,471.77)	(1,044,471.77)	(23,248,500.19)
2520 Other Long Term debt	0.00					0.00	
2525 Term Bank Loans-long term Portion	(82,834,630.20)					(82,834,630.20)	
2550 Advances from Associated Companies	0.00	(82,834,630.20)				0.00	(82,834,630.20)
2335 Long Term Customer Deposits	0.00					0.00	
2310 Vested Sick Leave Liability	(63,841.86)	(63,841.86)			(63,841.86)	(63,841.86)	
2306 Employee Future Benefits	(4,780,183.03)	(4,780,183.03)			(4,780,183.03)	(4,780,183.03)	
1995 Contributions and Grants - Credit	(29,323,463.26)	(29,323,463.26)		(2,312,131.93)	(31,635,595.19)	(31,635,595.19)	
2350 Future Income Tax - non current	(13,541,389.19)	(13,541,389.19)	(130,543,507.54)		(13,541,389.19)	(13,541,389.19)	(132,855,639.47)
2405 Other Regulatory liabilities	(1,518,825.50)				(1,518,825.50)		
1508 Other Regulatory Assets - OPEB	0.00			(748,270.83)	(748,270.83)		
1522 OPEB Forecast vs Actual Differential	(74.60)				(74.60)		
1551 Smart Metering Entity Variance	(32,269.16)				(32,269.16)		
1555 Smart Meter Capital and Recovery Variance	(24,682.86)				(24,682.86)		
1576 Accounting Changes Under CGAAP	(160,882.11)				(160,882.11)		
1580 RSVA - WMS	(776,720.92)				(776,720.92)		
1582 RSVA - One Time	0.00				0.00		
1586 RSVA - CN	0.00				0.00		
1588 RSVA - Power	(1,309,174.11)				(1,309,174.11)		
1589 RSVA - GA Non-RPP	0.00				0.00		
1562 Deferred Payments in Lieu of taxes	0.00				0.00		
1563 Deferred PILS contra Account	0.00				0.00		
1557 Mist meter variance	0.00				0.00		
1521 Special Purpose Charge	0.00				0.00		
1595 Disposition and Recovery of Regulatory Balances	(395,258.49)	(4,217,887.75)	(4,217,887.75)	(4,623.41)	(399,881.90)	(4,970,781.99)	(4,970,781.99)
3005 Common Shares Issued	(31,245,882.02)	(31,245,882.02)			(31,245,882.02)	(31,245,882.02)	
3010 Contributed Surplus	0.00			(18,753,902.09)	(18,753,902.09)		
3047 Appropriations of Retained Earnings - current	(6,705,305.00)	(6,705,305.00)			(6,705,305.00)	(25,459,207.09)	
3040 Appropriated Retained Earnings	(45,670,877.25)			9,337,549.54	(36,333,327.71)		
3041 Appropriated Retained Earnings							
3046 Balance Transferred from Income	(2,370,892.51)			1,046,674.50	(1,324,218.01)		
3049 Dividends payable - Common Shares	1,400,000.00	(46,641,769.76)	(84,592,956.78)		1,400,000.00	(36,257,545.72)	(92,962,634.83)
Balance Sheet	(0.00)	0.00	0.00	0.00	(0.00)	(0.00)	0.00

	RRR = Financial Statements December 2019	Balance Sheet	Audited Actual Balance Sheet Total	Adjustments for FMV entry presentation on FS	RRR filed restated for Regulatory	Balance Sheet restated for Regulatory	Balance Sheet restated for Regulatory
4006 Residential Energy Sales	(33,875,648.85)			2,637,163.83	(31,238,485.02)		
4010 Commercial Energy Sales	(13,706,262.32)				(13,706,262.32)		
4025 Streetlighting energy sales	(569,523.62)				(569,523.62)		
4030 Sentinel Lighting Energy Sales	(1,405.14)				(1,405.14)		
4035 General Energy Sales	(78,115,247.61)				(78,115,247.61)		
4062 Billed WMS	(4,923,599.96)				(4,923,599.96)		
4066 Billed NW	(8,217,712.85)				(8,217,712.85)		
4068 Billed CN	(6,038,759.85)				(6,038,759.85)		
4075 Billed - LV	(535,008.93)				(535,008.93)		
4076 Billed SME Charge	(375,434.48)	(146,358,603.61)	(146,358,603.61)		(375,434.48)	(143,721,439.78)	(143,721,439.78)
4080 Distribution Services Revenue	(30,515,032.93)				(30,515,032.93)		
4082 Retail Services Revenue	(38,661.60)				(38,661.60)		
4084 Service Transaction Requests (STR) Revenues	(585.50)				(585.50)		
4086 SSS Admin Charge	(160,439.85)	(30,714,719.88)	(30,714,719.88)		(160,439.85)	(30,714,719.88)	(30,714,719.88)
4215 Other Utility Operating Income	(19,293.92)				(19,293.92)		
4225 Late Payment Charges	(336,173.09)				(336,173.09)		
4235 Miscellaneous Service Revenues	(1,659,526.07)			(460,155.41)	(2,119,681.48)		
4355 Gain on Disposition of Utility and Other Property	(265.49)				(265.49)		
4360 Loss on Disposition of Utility and Other Property	68,274.80				68,274.80		
4362 Loss on Retirement of Utility and Other Property	6,135.26				6,135.26		
4375 Revenues from Non-Utility Operations	(1,604,938.35)				(1,604,938.35)		
4380 Expenses from Non-Utility Operations	1,604,938.35				1,604,938.35		
4390 Miscellaneous Non-Operating Income	(34,166.00)	(1,975,014.51)	(1,975,014.51)		(34,166.00)	(2,435,169.92)	(2,435,169.92)
4705 Power Purchased	61,169,795.48			(1,982,327.49)	59,187,467.99		
4707 Global adjustment purchased	65,098,292.06				65,098,292.06		
4708 Charges -WMS	4,923,599.96				4,923,599.96		
4714 Charges -NW	8,217,712.85				8,217,712.85		
4716 Charges -CN	6,038,759.85				6,038,759.85		
4751 Charges -SME	535,008.93				535,008.93		
4750 Charges - LV	375,434.48	146,358,603.61	146,358,603.61		375,434.48	144,376,276.12	144,376,276.12
5005 Operation Supervision and Engineering	990,133.31				990,133.31		
5010 Load Dispatching	9,123.75				9,123.75		
5012 Station Buildings and fixtures expense	147,870.00				147,870.00		
5014 Transformer Station Equipment - Operation Labour	45,103.86				45,103.86		
5015 Transformer Station Equipment - Operation	163,497.75				163,497.75		
5020 Overhead Distribution Lines and Feeders -Labour	293,751.30				293,751.30		
5025 Overhead Distribution Lines and Feeders - Operation expenses	107,226.32			100,295.18	207,521.50		
5040 Underground Distribution Lines and Feeders Labour	199,189.56				199,189.56		
5045 Underground Distribution Lines and Feeders - expenses	379,342.57				379,342.57		
5055 Underground Distribution Transformer - Operations	0.00				0.00		
5065 Meter Expense	397,351.34				397,351.34		
5085 Miscellaneous Distribution Expenses	2,121,355.75				2,121,355.75		
5105 Maintenance Supervision and Engineering	457,769.37				457,769.37		
5112 Maintenance of Transformer Station Equipment	3,949.71				3,949.71		
5114 Maintenance of Distribution Station Equipment	22,933.12				22,933.12		
5120 Maintenance of Poles, Towers and Fixtures	117,003.24				117,003.24		
5125 Maintenance of Overhead Conductors and Devices	914,429.03				914,429.03		
5130 Maintenance of Overhead Services	271,956.28				271,956.28		
5135 Overhead Distribution Lines and Feeders - Right of Way	371,116.35				371,116.35		
5145 Maintenance of Underground Conduit	39,289.46				39,289.46		
5150 Maintenance of Underground Conductors & Devices	220,252.95				220,252.95		
5155 Maintenance of Underground Services	177,100.80				177,100.80		
5160 Maintenance of Line Transformers	82,773.18				82,773.18		
5175 Maintenance of Meters	0.00	7,532,519.00			0.00	7,632,814.18	7,632,814.18
5070 Customer Premises - Operation Labour	131,731.60				131,731.60		
5405 Supervision	0.00				0.00		
5410 Community Relations - Sundry	133,275.75	265,007.35			133,275.75	265,007.35	265,007.35
5305 Supervision	1,209,734.14				1,209,734.14		

	RRR = Financial Statements December 2019	Balance Sheet	Audited Actual Balance Sheet Total	Adjustments for FMV entry presentation on FS	RRR filed restated for Regulatory	Balance Sheet restated for Regulatory	Balance Sheet restated for Regulatory
5310 Meter Reading Expense	586,734.21			121,501.25	708,235.46		
5315 Customer Billing	3,147,231.13				3,147,231.13		
5320 Collecting	441,420.21				441,420.21		
5325 Collecting - Cash Over and Short	(182.52)				(182.52)		
5335 Bad Debt Expense	343,782.55				343,782.55		
5340 Miscellaneous Customer Accounts Expense	237,356.49	5,966,076.21		80,162.52	317,519.01	6,167,739.98	6,167,739.98
5605 Executive Salaries and Expenses	526,832.92				526,832.92		
5610 Management Salaries and Expenses	2,501,907.09			98,270.57	2,600,177.66		
5615 General Administrative Salaries and Expenses	523,112.47				523,112.47		
5620 Office Supplies and Expenses	84,413.76				84,413.76		
5630 Outside Services Employed	53,000.04				53,000.04		
5635 Property Insurance	304,314.97				304,314.97		
5655 Regulatory Expenses	267,824.34				267,824.34		
5665 Miscellaneous General Expense	79,372.59				79,372.59		
5675 Maintenance of General Plant	710,523.30				710,523.30		
6105 Taxes other than Income Taxes	228,722.39				228,722.39		
6205 Donations	74,036.00	5,354,059.87			74,036.00	5,452,330.44	5,452,330.44
5705 Amortization Expense - Property Plant and Equipment	7,818,837.47	7,818,837.47		0.00	7,818,837.47	7,818,837.47	7,818,837.47
5715 Amortization of Intangibles and Other Electric	0.00	0.00		1,046,674.50	1,046,674.50	1,046,674.50	1,046,674.50
4405 Interest and Dividend Income	(311,867.81)	(311,867.81)		86,812.51	(225,055.30)	(225,055.30)	(225,055.30)
6005 Interest on Long Term Debt	1,799,900.41				1,799,900.41		
6030 Interest on Debt to Associated Companies	712,461.89				712,461.89		
6035 Other Interest Expense	240,891.93	2,753,254.23	29,377,886.32	(79,298.80)	161,593.13	2,673,955.43	2,673,955.43
6215 Penalties	0.00				0.00		
6110 Income Taxes	(353,819.07)				(353,819.07)	(353,819.07)	(353,819.07)
6115 Provision for Future Income Taxes	1,294,774.63	940,955.56	940,955.56	(368,637.00)	926,137.63	926,137.63	926,137.63
Net Income for the year	(2,370,892.51)	(2,370,892.51)	(2,370,892.51)	1,280,461.66	(1,090,430.85)	(1,090,430.85)	(1,090,430.85)
Net movement in regulatory balances, net of tax	0.00	0.00	0.00	(233,787.98)	(233,787.98)	(233,787.98)	(233,787.98)
Net income, net movement in regulatory balances	(2,370,892.51)	(2,370,892.51)	(2,370,892.51)	1,046,673.68	(1,324,218.83)	(1,324,218.83)	(1,324,218.83)
Other Comprehensive Income							
Remeasurements of post-employment benefits	337,322.37			0.00	337,322.37	337,322.37	337,322.37
Net movement in regulatory balances, net of tax	(337,322.37)			0.00	(337,322.37)	(337,322.37)	(337,322.37)
Other Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Comprehensive income for the year	(2,370,892.51)	(2,370,892.51)	(2,370,892.51)	1,046,673.68	(1,324,218.83)	(1,324,218.83)	(1,324,218.83)
Trial Balance Summary							
Revenues	(179,048,338.00)	(179,048,338.00)	(179,048,338.00)	1,943,220.44	(177,105,117.56)	(177,105,117.56)	(177,105,117.56)
Expenses	176,677,445.49	176,677,445.49	176,677,445.49	(896,546.76)	175,780,898.73	175,780,898.73	175,780,898.73
(Profit)/Loss	(2,370,892.51)	(2,370,892.51)	(2,370,892.51)	1,046,673.68	(1,324,218.83)	(1,324,218.83)	(1,324,218.83)
Net Assets	209,795,877.25	208,277,051.75	238,384,964.51	8,369,678.05	218,165,555.30	216,646,729.80	249,066,774.49
Net Liabilities and Equity	(209,795,877.25)	(208,277,051.75)	(238,384,964.51)	(8,369,678.05)	(218,165,555.30)	(216,646,729.80)	(249,066,774.49)
IS (Profit)/Loss	(2,370,892.51)	(2,370,892.51)	(2,370,892.51)	1,046,673.68	(1,324,218.83)	(1,324,218.83)	(1,324,218.83)
Balance Sheet (profit)/Loss	(2,370,892.51)	(2,370,892.51)	(2,370,892.51)	1,046,674.50	(1,324,218.01)	(1,324,218.01)	(1,324,218.01)
	0.00	0.00	0.00	(0.82)	(0.82)	(0.82)	(0.82)

Niagara Peninsula Energy Inc.
For the Twelve Months Ending December 31, 2019
RRR Part 2
Trial Balance by Account
2.1.13

	Filed RRR excluding FMV entry	Adjustments for FMV entry presentation on FS	Audited Financial Statement December 2019
Current Assets			
1005 Cash	11,883,520.29		11,883,520.29
1010 Cash Advance and Working Funds	2,326.98		2,326.98
1100 Custom Accounts Receivable	16,256,759.80		16,256,759.80
1104 Accounts Receivable - Recoverable Work	1,446,411.79		1,446,411.79
1110 Other Accounts Receivable	1,004,417.56		1,004,417.56
1120 Accrued Utility Revenues	13,805,772.46		13,805,772.46
1130 Accumulated Provision for Uncollectible Accts	(701,019.03)		(701,019.03)
1180 Prepayments	1,307,763.10		1,307,763.10
1200 Accounts Receivable from Associated Companies	8,655.91		8,655.91
1330 Plant Materials and Operating Supplies	1,444,522.97		1,444,522.97
1495 Other Assets and Deferred Charges	15,895,547.14		15,895,547.14
1508 Other Regulatory Assets-Lead/Lag Study	(488,566.94)		(488,566.94)
1508 Other Regulatory Assets Incremental Capital Charges Hydro One	0.00		0.00
1508 Other Regulatory Assets - OPEB	0.00		0.00
1518 RCVA - Retail	109,953.45		109,953.45
1522 OPEB Forecast vs Actual Differential	(74.60)		(74.60)
1548 RCVA - STR	374,472.58		374,472.58
1550 Hydro One Low Voltage Variance	1,961,260.13		1,961,260.13
1551 Smart Metering Entity Variance	(32,269.16)		(32,269.16)
1555 Smart Meter Capital and Recovery Variance	(24,682.86)		(24,682.86)
1557 Mist meter variance	83,183.45		83,183.45
1568 LRAM variance	0.00		0.00
1576 Accounting Changes Under CGAAP	(160,882.11)		(160,882.11)
1580 RSVA - WMS	(776,720.92)		(776,720.92)
1584 RSVA - NW	359,953.97		359,953.97
1586 RSVA - CN	87,195.90		87,195.90
1588 RSVA - Power	(1,309,174.11)		(1,309,174.11)
1589 RSVA - GA Non-RPP	7,714.38		7,714.38
1595 Disposition and Recovery of Regulatory Balances	(395,258.49)		(395,258.49)
1606 Organization	1,926.45		1,926.45
1611 Computer Software	5,116,350.89		5,116,350.89
1612 Land Rights	1,604,396.58		1,604,396.58
1705 Land	82,347.02		82,347.02
1708 Buildings and Fixtures	3,785,228.83		3,785,228.83
1715 Station Equipment	3,042,173.68		3,042,173.68
1735 Underground Conduit	1,090.59		1,090.59
1740 Underground Conductors and Devices	138,793.40		138,793.40
1805 Land	424,925.77		424,925.77
1808 Buildings and Fixtures	111,638.13		111,638.13
1815 Transformer Station Equipment - Normally Primary	77,002.22		77,002.22
1820 Distribution Station Equipment - Normally Primary	7,119,637.20		7,119,637.20
1830 Poles, Towers and Fixtures	55,805,804.34		55,805,804.34
1835 Overhead Conductors and Devices	40,965,808.68		40,965,808.68
1840 Underground Conduit	14,778,417.24		14,778,417.24
1845 Underground Conductors and Devices	84,081,172.78	1,734,098.95	85,815,271.73
1850 Line Transformers	47,369,900.05	578,032.98	47,947,933.03
1855 Services	12,779,083.96		12,779,083.96
1860 Meters	12,633,007.52		12,633,007.52
1865 Other Installations on Customer's Premises	439.87		439.87
1875 Street Lighting and Signal Systems	21,835.21		21,835.21
1905 Land	508,969.83		508,969.83
1908 Buildings and Fixtures	20,717,683.18		20,717,683.18
1910 Leasehold Improvements	120,252.32		120,252.32
1915 Office Furniture and Equipment	1,941,662.29		1,941,662.29

	Filed RRR excluding FMV entry	Adjustments for FMV entry presentation on FS	30 of 33 Audited Financial Statement December 2019
1920 Computer Equipment-Hardware	5,395,891.54		5,395,891.54
1930 Transportation Equipment	10,321,378.07		10,321,378.07
1935 Stores Equipment	328,494.50		328,494.50
1940 Tools, Shop and Garage Equipment	2,447,550.25		2,447,550.25
1945 Measurement and Testing Equipment	204,006.18		204,006.18
1955 Communication Equipment	1,593,239.00		1,593,239.00
1960 Miscellaneous Equipment	72,951.31		72,951.31
1980 System Supervisory Equipment	128,960.64		128,960.64
1995 Contributions and Grants - Credit	(29,323,463.26)	(2,312,131.93)	(31,635,595.19)
2005 Property Under Capital Leases	143,036.00		143,036.00
2060 Electric Plant Acquisition Adjustment	142,276.60		142,276.60
2065 Other Electric Plant Adjustment	0.00	45,509,515.44	45,509,515.44
2105 Accumulated Amortization of Electric Utility-Plant	(152,986,820.30)		(152,986,820.30)
2120 Accumulated Amortization of Electric Utility Plant-Intangibles	(5,655,864.12)		(5,655,864.12)
2140 Accumulated Amortization of Electric Plant	(142,276.60)		(142,276.60)
2160 Accumulated Amortization of Other Utility Plant	0.00	(37,139,837.39)	(37,139,837.39)
2205 Accounts Payable	(8,323,381.68)		(8,323,381.68)
2256 Independent Market Operator Fees and Penalties	(11,140,317.31)		(11,140,317.31)
2210 Current portion of Customer deposits	(1,410,029.02)		(1,410,029.02)
2240 Accounts Payable to Associated Companies	0.00		0.00
2250 Debt Retirement Charges DRC payable	0.00		0.00
2260 Current Portion of Long Term Debt	(1,044,471.77)		(1,044,471.77)
2264 Pensions and Employee Benefits-Current Portion	(193,144.08)		(193,144.08)
2290 Commodity Taxes	1,746,185.77		1,746,185.77
2292 Payroll Deductions/Expenses Payable	(727.02)		(727.02)
2294 Accrual for Taxes,"Payments in Lieu"of Taxes	784,449.50		784,449.50
2296 Future Income Taxes - Current	0.00		0.00
2306 Employee Future Benefits	(4,780,183.03)		(4,780,183.03)
2310 Vested Sick Leave Liability	(63,841.86)		(63,841.86)
2320 Other Miscellaneous Non-current liabilities	(37,334.17)		(37,334.17)
2350 Future Income Tax - Non Current	(13,541,389.19)		(13,541,389.19)
2405 Other Regulatory Liabilities	(1,518,825.50)		(1,518,825.50)
2425 Other Deferred Credits	(1,099,095.14)		(1,099,095.14)
2525 Term Bank Loans-long term Portion	(82,834,630.20)		(82,834,630.20)
2550 Advances from Associated Companies	0.00		0.00
3005 Common Shares Issued	(31,245,882.02)		(31,245,882.02)
3010 Contributed Surplus	0.00	(18,753,902.09)	(18,753,902.09)
3040 Appropriated Retained Earnings	(45,670,877.25)	9,337,549.54	(36,333,327.71)
3046 Balance Transferred from Income	(2,370,892.51)	1,046,674.50	(1,324,218.01)
3047 Appropriations of Retained Earnings - current	(6,705,305.00)		(6,705,305.00)
3049 Dividends payable - Common Shares	1,400,000.00		1,400,000.00
Balance Sheet	0.00	(0.00)	(0.00)

4006 Residential Energy Sales	(33,875,648.85)	2,637,163.83	(31,238,485.02)
4010 Commercial Energy Sales	(13,706,262.32)		(13,706,262.32)
4025 Streetlighting energy sales	(569,523.62)		(569,523.62)
4030 Sentinel Lighting Energy Sales	(1,405.14)		(1,405.14)
4035 General Energy Sales	(78,115,247.61)		(78,115,247.61)
4062 Billed WMS	(4,923,599.96)		(4,923,599.96)
4066 Billed NW	(8,217,712.85)		(8,217,712.85)
4068 Billed CN	(6,038,759.85)		(6,038,759.85)
4075 Billed - LV	(535,008.93)		(535,008.93)
4076 Billed SME Charge	(375,434.48)		(375,434.48)
4080 Distribution Services Revenue	(30,515,032.93)		(30,515,032.93)
4082 Retail Services Revenue	(38,661.60)		(38,661.60)
4084 Service Transaction Requests (STR) Revenues	(585.50)		(585.50)
4086 SSS Admin Charge	(160,439.85)		(160,439.85)
4215 Other Utility Operating Income	(19,293.92)		(19,293.92)
4225 Late Payment Charges	(336,173.09)		(336,173.09)
4235 Miscellaneous Service Revenues	(1,659,526.07)	(460,155.41)	(2,119,681.48)

	Filed RRR excluding FMV entry	Adjustments for FMV entry presentation on FS	31 of 33 Audited Financial Statement December 2019
4355 Gain on Disposition of Utility and Other Property	(265.49)		(265.49)
4360 Loss on Disposition of Utility and Other Property	68,274.80		68,274.80
4362 Loss on Retirement of Utility and Other Property	6,135.26		6,135.26
4375 Revenues from Non-Utility Operations	(1,604,938.35)		(1,604,938.35)
4380 Expenses from Non-Utility Operations	1,604,938.35		1,604,938.35
4390 Miscellaneous Non-Operating Income	(34,166.00)		(34,166.00)
4405 Interest and Dividend Income	(311,867.81)	86,812.51	(225,055.30)
4705 Power Purchased	61,169,795.48	(1,982,327.49)	59,187,467.99
4707 Global adjustment purchased	65,098,292.06		65,098,292.06
4708 Charges -WMS	4,923,599.96		4,923,599.96
4714 Charges -NW	8,217,712.85		8,217,712.85
4716 Charges -CN	6,038,759.85		6,038,759.85
4750 Charges - LV	535,008.93		535,008.93
4751 Charges - SME	375,434.48		375,434.48
5005 Operation Supervision and Engineering	990,133.31		990,133.31
5010 Load Dispatching	9,123.75		9,123.75
5012 Station Buildings and fixtures expense	147,870.00		147,870.00
5014 Transformer Station Equipment - Operation Labour	45,103.86		45,103.86
5015 Transformer Station Equipment - Operation	163,497.75		163,497.75
5020 Overhead Distribution Lines and Feeders -Labour	293,751.30		293,751.30
5025 Overhead Distribution Lines and Feeders - Operation expenses	107,226.32	100,295.18	207,521.50
5040 Underground Distribution Lines and Feeders Labour	199,189.56		199,189.56
5045 Underground Distribution Lines and Feeders - expenses	379,342.57		379,342.57
5055 Underground Distribution Transformers - Operation	0.00		0.00
5065 Meter Expense	397,351.34		397,351.34
5070 Customer Premises - Operation Labour	131,731.60		131,731.60
5085 Miscellaneous Distribution Expenses	2,121,355.75		2,121,355.75
5105 Maintenance Supervision and Engineering	457,769.37		457,769.37
5112 Maintenance of Transformer Station Equipment	3,949.71		3,949.71
5114 Maintenance of Distribution Station Equipment	22,933.12		22,933.12
5120 Maintenance of Poles, Towers and Fixtures	117,003.24		117,003.24
5125 Maintenance of Overhead Conductors and Devices	914,429.03		914,429.03
5130 Maintenance of Overhead Services	271,956.28		271,956.28
5135 Overhead Distribution Lines and Feeders - Right of Way	371,116.35		371,116.35
5145 Maintenance of Underground Conduit	39,289.46		39,289.46
5150 Maintenance of Underground Conductors & Devices	220,252.95		220,252.95
5155 Maintenance of Underground Services	177,100.80		177,100.80
5160 Maintenance of Line Transformers	82,773.18		82,773.18
5175 Maintenance of Meters	0.00		0.00
5305 Supervision	1,209,734.14		1,209,734.14
5310 Meter Reading Expense	586,734.21	121,501.25	708,235.46
5315 Customer Billing	3,147,231.13		3,147,231.13
5320 Collecting	441,420.21		441,420.21
5325 Collecting - Cash Over and Short	(182.52)		(182.52)
5335 Bad Debt Expense	343,782.55		343,782.55
5340 Miscellaneous Customer Accounts Expense	237,356.49	80,162.52	317,519.01
5405 Supervision	0.00		0.00
5410 Community Relations - Sundry	133,275.75		133,275.75
5605 Executive Salaries and Expenses	526,832.92		526,832.92
5610 Management Salaries and Expenses	2,501,907.09	98,270.57	2,600,177.66
5615 General Administrative Salaries and Expenses	523,112.47		523,112.47
5620 Office Supplies and Expenses	84,413.76		84,413.76
5630 Outside Services Employed	53,000.04		53,000.04
5635 Property Insurance	304,314.97		304,314.97
5655 Regulatory Expenses	267,824.34		267,824.34
5665 Miscellaneous General Expense	79,372.59		79,372.59
5675 Maintenance of General Plant	710,523.30		710,523.30
5705 Amortization Expense - Property Plant and Equipment	7,818,837.47		7,818,837.47
5715 Amortization of Intangibles and Other Electric	0.00	1,046,674.50	1,046,674.50
6005 Interest on Long Term Debt	1,799,900.41		1,799,900.41
6030 Interest on Debt to Associated Companies	712,461.89		712,461.89
6035 Other Interest Expense	240,891.93	(79,298.80)	161,593.13
6105 Taxes other than Income Taxes	228,722.39		228,722.39

	Filed RRR excluding FMV entry	Adjustments for FMV entry presentation on FS	Audited Financial Statement December 2019
6110 Income Taxes	(353,819.07)		(353,819.07)
6115 Provision for Future Income Taxes	1,294,774.63	(368,637.00)	926,137.63
6205 Donations	74,036.00		74,036.00
Net movement in regulatory balances, net of tax	0.00	(233,787.98)	(233,787.98)
Income Statement total	(2,370,892.51)	1,046,673.68	(1,324,218.83)
Trial Balance Summary			
Revenues	(179,360,205.81)	2,263,820.93	(177,096,384.88)
Expenses	176,989,313.30	(1,217,147.25)	175,772,166.05
(Profit)/Loss	(2,370,892.51)	1,046,673.68	(1,324,218.83)
Net Assets	366,549,339.90	0.00	366,549,339.90
Net Liabilities and Equity	(366,549,339.90)	(0.00)	(366,549,339.90)
IS (Profit)/Loss	(2,370,892.51)	1,046,673.68	(1,324,218.83)
Balance Sheet (profit)/Loss	(2,370,892.51)	1,046,674.50	(1,324,218.01)

Niagara Peninsula Energy Inc.
 FMV Bump
 2.1.13

Balance Sheet

	2007 FMV entry	Entry hits Retained Earnings	2007 FMV entry summary	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1 PWU AR PWPower	(216,069.30)	216,069.30													
1 Due from PW power	1,400,000.00	(1,400,000.00)													
1 Future PILS	(5,168,552.00)	5,168,552.00													
1 Inventory	7,684.34	(7,684.34)													
Fixed assets Total FMV Bump Adjustment for PW software	45,735,559.44		45,735,559.44	45,735,559.44	45,735,559.44	45,735,559.44									
				-	-	(226,044.00)									
				<u>45,509,515.44</u>											
Accum Deprec Total FMV Bump Adjustment for PW software	(24,083,153.39)	(24,083,153.39)		(24,083,153.39)	(25,239,221.08)	(26,348,210.08)	(27,355,968)	(28,442,637)	(29,580,061)	(30,712,338)	(31,811,977)	(32,900,837)	(33,985,381)	(35,029,360)	(36,093,164)
Current year depreciation				(1,156,068)	(1,108,989)	(1,233,802)	(1,086,669)	(1,137,424)	(1,132,277)	(1,099,638)	(1,088,860)	(1,084,545)	(1,043,979)	(1,063,803.81)	(1,046,674.50)
				<u>(25,239,221)</u>	<u>(26,348,210)</u>	<u>(27,355,968)</u>	<u>(28,442,637)</u>	<u>(29,580,061)</u>	<u>(30,712,338)</u>	<u>(31,811,977)</u>	<u>(32,900,837)</u>	<u>(33,985,381)</u>	<u>(35,029,360)</u>	<u>(36,093,164)</u>	<u>(37,139,839)</u>
Contributed Surplus	(18,753,902.09)	(18,753,902.09)		(18,753,902.09)	(18,753,902.09)	(18,753,902.09)	(18,753,902.09)	(18,753,902.09)	(18,753,902.09)	(18,753,902.09)	(18,753,902.09)	(18,753,902.09)	(18,753,902.09)	(18,753,902.09)	(18,753,902.09)
1 Retained Earnings	1,078,433.00	(1,078,433.00)	-												
sum of 1's Retained Earnings net adjustment		(2,898,503.96)	(2,898,503.96)	(2,898,503.96)	(2,898,503.96)	(2,898,503.96)	(2,898,503.96)	(2,898,503.96)	(2,898,503.96)	(2,898,503.96)	(2,898,503.96)	(2,898,503.96)	(2,898,503.96)	(2,898,503.96)	(2,898,503.96)
Cummulative impact on RE for Depreciation FMV bump				1,156,068	2,265,057	3,498,859	3,498,859	4,585,528	5,722,952	6,855,229	7,954,867	9,043,727	10,128,272	11,172,251	12,236,055
				<u>(1,742,436.27)</u>	<u>(633,447.27)</u>	<u>600,354.73</u>	<u>600,354.73</u>	<u>1,687,024.02</u>	<u>2,824,448.02</u>	<u>3,956,724.83</u>	<u>5,056,363.23</u>	<u>6,145,223.41</u>	<u>7,229,767.93</u>	<u>8,273,746.94</u>	<u>9,337,550.75</u>
Depreciation expense to be closed to Cummulative impact on RE				1,156,068	1,108,989	1,233,802	1,086,669	1,137,424	1,132,277	1,099,638	1,088,860	1,084,544	1,043,979	1,063,804	1,046,675
Net	(0.00)	-	-	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	-	-	-	(0.00)	(0.00)	(0.00)	(0.00)

Income Statement

Depreciation expense FMV bump	1,156,068	1,111,638	1,233,802	1,086,669	1,137,424	1,132,277	1,099,638	1,088,860	1,084,545	1,043,979	1,063,804	1,046,675
Adjust depreciation expense FMV bump	0	-2649	0	0	0	0	0	0	0	0	0	0
	<u>1,156,068</u>	<u>1,108,989</u>	<u>1,233,802</u>	<u>1,086,669</u>	<u>1,137,424</u>	<u>1,132,277</u>	<u>1,099,638</u>	<u>1,088,860</u>	<u>1,084,545</u>	<u>1,043,979</u>	<u>1,063,804</u>	<u>1,046,675</u>