

CORPORATION OF THE TOWNSHIP OF WHITEWATER REGION

By-Law # 03-01-98

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**Being a By-Law to affirm that Ottawa River Power Corporation should continue to be incorporated as provided for, pursuant to Subsection 142(1) of the Electricity Act, 1998**

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**WHEREAS** the Village of Beachburg was amalgamated and is now part of the Corporation of the Township of Whitewater Region and before its amalgamation transferred its electrical distribution assets into the Ottawa River Power Corporation.

**AND WHEREAS** the Ottawa River Power Corporation was incorporated on the 29<sup>th</sup> day of April, 1999 for the purposes of distribution of electricity in and for the Province of Ontario and is a corporation licenced to distribute electricity pursuant to the Ontario Energy Board Act.

**AND WHEREAS** the Corporation of the Township of Whitewater Region has an interest, as a shareholder in the Ottawa River Power Corporation, holding 147 shares in the said company.

**AND WHEREAS** the Ottawa River Power Corporation owes to the Corporation of the Township of Whitewater the sum of \$147,000.00, secured by a Promissory Note from the Corporation to the Township.

**AND WHEREAS** the Ontario Legislature has passed Bill No. 210 requiring municipalities who have shares in electric utilities to pass a resolution within ninety (90) days of the passing of the Bill affirming that the Corporation should continue to be incorporated as provided for pursuant to Section 142(1) of the Electricity Act thereby confirming their status as "for profit" corporations.

**AND WHEREAS** the said legislation was passed on the 09<sup>th</sup> day of December, 2002.

**AND WHEREAS** in the event the municipality fails to pass such resolution within ninety (90) days of December 09<sup>th</sup>, 2002, the Corporation status of Ottawa River Power Corporation will be converted to a "non-profit status" with no return on equity to the Township and only a return of interest on the debt portion of the monies owed by the Ottawa River Power Corporation to the Township.

**AND WHEREAS** at the present time the maximum return available on equity for the municipality is 4.17% and the return on interest on the Promissory Note is 7.25% , providing a return of equity and debt that is available in the amount 5.71% per annum using a weighted average.

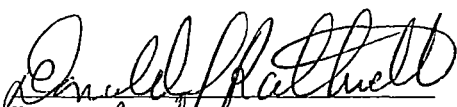
**AND WHEREAS** in the event an affirming By-Law is not passed affirming the corporation status and the Ottawa River Power Corporation was effectively converted to "non-profit status", then this would not allow for the said Ottawa River Power Corporation to manage its finances so as to continue to provide reliable service and, in particular, provide a rate of return sufficient to finance maintenance and upgrading of infrastructure.

**AND WHEREAS** the Province of Ontario has decided to maintain Hydro One and their utilities as "for profit" companies and to affirm its current status.

**NOW THEREFORE** the Township hereby affirms that the Ottawa River Power Corporation continue to be incorporated, as provided for in subsection 142(1) of the Electricity Act, 1998, as a "for profit corporation" pursuant to its initially intended purpose.

This By-Law shall not come into force and effect until the final passing thereof.

Read a First, Second and Finally Passed on the Third Reading, this 27<sup>th</sup> day of January, 2003

  
Reeve President

  
CAO/Clerk