

Bill No. 397  
2014

By-law No. A.- \_\_\_\_\_

A By-law to approve an agreement between The Corporation of the City of London, London Hydro Inc. and the Public Utility Commission of the City of London; and to authorize the Mayor and City Clerk to execute the agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The agreement to be entered into between The Corporation of the City of London, London Hydro Inc. and the Public Utility Commission of the City of London regarding discharging London Hydro Inc. from the \$70 million promissory note, attached as Schedule 1 to this by-law, is approved.
2. The Mayor and the City Clerk are authorized to execute the agreement approved under section 1 above.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council September 2, 2014.

J. Baechler  
Mayor

Catharine Saunders  
City Clerk

First reading – September 2, 2014  
Second reading – September 2, 2014  
Third reading – September 2, 2014

**SCHEDULE 1**

**THIS AGREEMENT MADE AS OF THE      DAY OF AUGUST, 2014**

**Between:**

**THE CORPORATION OF THE CITY OF LONDON (the "City")**

**and**

**THE PUBLIC UTILITY COMMISSION OF THE CITY OF LONDON ("PUC")**

**and**

**LONDON HYDRO INC. ("London Hydro")**

**WHEREAS:**

- A. On November 1, 2000, London Hydro issued a promissory note in the principal amount of \$95.0 million, without interest, due December 31, 2000, (the "Promissory Note") to the City in consideration of the transfer of electricity distribution assets by the City to London Hydro;
- B. On November 6, 2000, the City, in writing by a document titled "Undertaking", assigned the Promissory Note to the PUC (the "Assignment");
- C. In 2001, the City, with the consent of the PUC, agreed to a reduction in the principal amount of the Promissory Note from \$95.0 million \$70.0 million;
- D. In 2003 the City and London Hydro agreed that the debt evidenced by the Promissory Note would commence to accrue interest at the rate of 6% per year beginning July 1, 2003;
- E. Periodically, the term of Promissory Note was extended such that the Promissory Note is currently due on the earlier of 367 days after demand or on October 31, 2015;

**THIS AGREEMENT WITNESSES THAT** in consideration of the mutual covenants contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The parties represent and warrant to the other that the recitals to this agreement are true and correct to the best of their respective beliefs as of the date of the making of this agreement and agree that the recitals form part of this agreement.
2. London Hydro shall pay to the City the principal of the Promissory Note, together with all accrued interest on the debt evidenced by the Promissory Note, on November 30, 2014 (the "Payment").
3. The Payment shall fully and finally discharge London Hydro from any and all of its obligations under the Promissory Note, whether to the City or to the PUC, and the City and the PUC each hereby release London Hydro from any obligations under the Promissory Note following the Payment.
4. Other than a separate agreement of even date between the PUC and the City, which forms part of the consideration for this agreement as between the City and the PUC only, and to which London Hydro is not a party, this agreement contains the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral or written agreements and representations. Any amendments shall be in writing and signed by all parties.
5. This agreement shall not be assigned without the written consent of the parties.
6. This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

**IN WITNESS WHEREOF** the parties have executed this Agreement by their duly authorized signing officers, as of the above date.

**THE CORPORATION OF THE CITY OF LONDON**

\_\_\_\_\_  
Per: \_\_\_\_\_, Mayor

\_\_\_\_\_  
Per: \_\_\_\_\_, City Clerk

**THE PUBLIC UTILITY COMMISSION OF THE CITY OF LONDON**

\_\_\_\_\_  
Per: \_\_\_\_\_

**LONDON HYDRO INC.**

\_\_\_\_\_  
Per:  
I have authority to bind the Corporation