

Transcription: Brian Bentz's Notes on September 19, 2011 Presentation

Page 2 What have in comm(on)
What we can offer

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1. Together we will grow/ optimize opportunities 2. Energy for success and support of necessities of life. 3. Entrepreneurial Spirit 4. Customer- exceeding customer expectations 5. Sustainability- Gold standard of environmental excellence

Chasing the star

Defining who you are

Vision Mission Values- only you (sic) what you believe in

You almost think they were adopted simultaneously

Here's the foundation of the relationship. Your core values, what you believe in

That's what make partnerships work well in the end

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Hydro One 1.3

TO Hydro 700

P/S 330

H/O 280

Horizon

No controlling S/H (so we understand partnerships)

Highest growth rates in the Province - a little slower lately - add 2,000 - 3,000 customers per year

Managing growth organically is part of who we are

I- We big enough to be small & small enough to be big

But we have not become so big however that we lose the connection to the communities we serve & we go out of our way to stay focused and connected on the customer and the communities we serve

We believe we have a level of resources in our organization that allows us to specialize (for example VP S/G (smart grid) (better our system)

Someone dealing exclusively Regulatory Affairs & Reg issues

Dedicated H&S Dept w 3 H&S Officers

Protection & Control Department System Planning/ Eng Res Cons Specialists

24 x 7 dedicated control room

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Collingwood Creemore Thornbury Stayner

In Simcoe County - go from Breton Tottenham Alliston BWG in south

Thornton Barrie Penetanguishene in North

So we share the same Geography as you do in Collingwood/ Creemore/ Thornbury/ Stayner

Personally for example because I live in Barrie for 20 years- practically every weekend in winter my family & I ski in Blue Mountain- go through Stayner.

Home care - Stayner Creemore Collingwood Barbs Clothes Closet

Geography Culture

We understand the nuances? Of the strongest area of the Province

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Select Group of CO's

1 Env Mgmt System

2 Emissions Investing?

3 Must report Publicly on Progress

Only 12 in Province

Others include OPG Nxxxx Plant, General Motors, Exhibition Place

Over the past year or so we've had the good fortune of being recognized in our industry for achievement

We have some of those areas of recognition listed here

Selected from more than 300,000 organizations world wide for our innovation vision leadership

use of ESRIs GIS technology

Telenet ARCFM

ESRIs ARCGIS

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Gouvernement Relations

Don't know what will happen in election

Confident can work with either government say either ??? It's a 2 horse race

Working w Better Place Nissan Level 1 (120V 1o 2kw)

Level 2 (240 V 1o 7.1 kw) 32 A Level 3 charging DC Charge 240 kw

Queens University Georgian College - effect on system, opportunities for innovation

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Premiere at our Adiscott facility in Markham

Minister

Minister Gerretson industry ceremony of P/S to Ontario's Env Leader Program

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Energy Competition Act

????! w this consolidation here

Similar thing in York Region MV bought RH

Barrie PUC/ Hydro purchased BWG/ESSA/ NT/ Penetang

Saw obvious synergies, commissioned a study to look at it

Subsequent purchased Aurora Hydro Connections

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Entrepreneurial consulting background w Clemmer Group many other - worked in US in healthcare on a consulting basis

1 Former Chair IESO Stakeholder Advisory Committee formerly IMO Bd

2 Former Director RHHI

3 current Director sit in Bd of ESA

4 Member of ????? Executives Mkt Dev Committee

5 set on Bd of Governors of Excellence Canada formerly NQI

6 Director of RVH in Barrie

7 president elect Kiwanis Klub of Kempenfelt Bay

8 Bd of UWO of Barrie/ So Simcoe

John has many years experience having spent 25 years at Ont Hydro/ Hydro One- Executive Mgmt

Strong technical 10 years

Lawyer by trade

Involved in M&A in waste mgmt industry incl BFI Canada General Counsel

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I said earlier that decisions like this are very difficult to make
 And in any partnership you don't know if you will always achieve the objectives
 We go out of our way as an organization to achieve the objectives defined in our merger both
 financially operationally and culturally
 Culturally - involvement in community
 - EC development
 - meeting w local councillors, responding to concerns
 Operationally - Safety, reliability, 24 x 7 monitoring

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Dividend + Interest vs Dividend ???

2001 vs 2004

We think there

Page between 12 & 13

Regional????

Postage stamp rates

New ??? Model - T&D separation

LDCs purchased on a regional basis

So will continue to receive focus

OPA OEB IESO EDA OEA APPRO AMPCO Provincial Agencies

Advisory Groups have talked about this issue

Transfer Tax impediment will eventually reverse?

Think LDCs can feel the pressure

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I talked earlier about some of the systemic factors that are driving change in our industry

Technological Environmental process & Regulation

So I think from a???? Industry perspective more globally I think the sector will continue to evolve as we decentralize generation, as we introduce more renewables, EVs / conservation into the system and as we introduce new technology- s/g fuel cells, storage technologies. The role of the LDC will naturally evolve and as consumers are offered more products and services.

In terms of what we are hearing about our industry

The possibility of doing something wrt LDC consolidation- considered in budget stmt last spring. TIM

Hudak believes LDCs rates s/b reduced

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Important to be involved in community events

Import to give back to community in financial giving

Centre for sustainable Technology w Hydro One

Conservation

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United Way Cheque presentation

P/S naming of radiology wing at MSH

Georgian college ??? Centre for Sustainable Technology

Involved in curriculum development

Meet w students

Hire co op students

Program lab equipment relays / switchgear units

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Speak about ?????? Also community development

Work w Rob Ellis (a tremendous man) who unfortunately lost his so. In workplace accident- & so we go into high schools (into an assembly) & talk them about safety right & responsibilities around safety -
Barrie Central High

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Barrie Earth Hour ???? Event Sponsor
Character Community Awards in Richmond Hill
Santa Claus

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Talked in our ???? about customer focus
???? By delivering value to our customers
Lowest Dist Rates in Ont
330,000 2 million bills
Focus groups/ Customer Surveys

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?????
Highly reliable
High quality
Technologically advanced Power Supply

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Control room 24 x 7 real time monitoring
Automated switching
Visibility to meter base
Collect \$1b per year
2 million bills per year

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Solar lab @ our 55 Patterson road offices
9 solar vendors
3 inverter manufacturers
5 racking systems
EV Nissan Leaf
Van Pool

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Program that emphasizes transformational-role model
& ultimately world class performance
Focused on 6 organizational performance areas
1- governance
2
3 customer focus
4
5
6

Pinball Clemmons

Talked about safety leadership teamwork

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Dinner dance 600
Children's Xmas party

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We have low rates
You have low rates

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Arriving job 1
H&S goals integrated with w corporate initiatives
Measuring performance metrics

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Regional leader / consolidator

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Want Collus staff to be leaders in this entity?
In the normal course xxx smaller %age ownership
Ordinarily when structuring a traditional merger

This structure in consideration of strength & potential of the partnership- proposing a stand alone separate company that would own & operate separate assets within Collus service area. The company would be owned jointly by Town of Collingwood and P/S. Our intention that the corpn would be an affiliate of P/S meaning P/S would own 51% or more of corpn- but would be full minority rights protection - change in share capital/ capital call

- entering into a new business
- approving an acquisition
- having a new partner

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Here's what we are proposing - reflective of our commitment to municipal ownership
Would propose a 7 member Bd s.t. negotiations
Important that Mayors are there
Reflective of tru partnership
Excited about opportunity
Desire to do something different
Remember to ?????? That as well

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Also 100% cash offer

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Renewable energy bus
2 Gold Leed Buildings
Involvement in being part of fabric of every community we serve committed to Safety, Env and Ec Growth
Common heritage
Realize only as good as employees
Common DNA- Simcoe County
- customer focus

Innovative operations

Also geography

Most importantly

1 Together culture DNA growth

2 entrepreneurial spirit/ innovation

3 focus on customer & community

Involvement of being part of fabric of every community. We ???? To safety, Env & EC growth

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Geography

Recognize early mover strategic premium

Development of a regional model

Can happen because only our experience in managing successful transition

??? Because of our common geography and culture

Shown municipal partnership to date

Partnership has worked

Both mayor Lehman and Mayor Scarpitti are a testament to that.

I know people we have were