



FOUNDATION DOCUMENT PART I: THE 2012 SALE OF COLLUS SHARES

Chapter 4: The Bidding Process (October 4, 2011- November 16, 2011)

**Commissioner: The Honourable Frank N. Marrocco, Associate Chief
Justice, Superior Court of Justice, Ontario**

Please note that the statements in this Foundation Document have not been tested for the truth of their contents. The contents may be tested, challenged, supplemented, proven false, or discredited through the evidence called and the submissions made at the Inquiry. It will be for the Commissioner to consider all the evidence before ascribing any weight to anything contained in the Foundation Document.

Chapter 4 The Bidding Process (October 4, 2011-November 16, 2011)

4.1 Collus Power Offers to Sell up to 50% of its Shares

291. On October 4, 2011 Collus Power sent “Request for Proposal” (RFP) documents to four bidders: PowerStream Inc., Horizon Utilities Corporation, Veridian Corporation and Hydro One. The cover letter from Chair Muncaster set November 16, 2011 at 4:30 p.m. as the deadline for the bids to be submitted.

RFP Cover Letter from Dean Muncaster to PowerStream, October 4, 2011, [TOC0061134](#)

RFP Cover Letter from Dean Muncaster to Horizon Utilities Corporation, October 4, 2011, [TOC0061132](#)

RFP Cover Letter from Dean Muncaster to Veridian Corporation, October 4, 2011, [TOC0061135](#)

RFP Cover Letter from Dean Muncaster to Hydro One, October 4, 2011, [CPS0006929](#)

Collus Power Corp RFP, October 4, 2011, [CPS0006891](#)

4.2 The RFP Evaluation Criteria

292. The RFP asked for bids on a strategic partnership with Collus Power, the electricity provider that was a subsidiary of Collus. The RFP document described how the proposals would be evaluated and the weighting for different areas of comparison. There were 100 total points available with points assigned to six categories of competition.

Collus Power Corp RFP, October 4, 2011, [CPS0006891, p 5-12](#)

293. The proposal evaluation criteria, with the additional items from 3.1 added within the first 30-point section, were as follows:

Table 4-1: Proposal Evaluation Criteria: Collus Power RFP

	<u>Points</u>
<ul style="list-style-type: none"> • Payment for up to 50% of shares • Other considerations in Section 3.1 • Terms of payment, including the form of consideration if other than cash • Any proposed timing considerations • Pre-closing conditions (i.e. due diligence, etc.) • Proposed representation on Collus Power Board of Directors. Our preference is that a majority of the board members be independent • Philosophy or guiding principles for the determination of annual dividends paid to the shareholders • Other considerations including proposed capital structure and shareholders' agreement/include buy-sell arrangements to include both right of first refusal and "shot gun" provisions • Actions required to satisfy the Ontario Energy Board's MAAD provisions 	30
<ul style="list-style-type: none"> • Provision of strategic and specialized resources • Support in growing the COLLUS business 	30
<ul style="list-style-type: none"> • Support for employees and their careers 	10
<ul style="list-style-type: none"> • Customer experience and satisfaction • Supporting the interests of the communities we serve 	10
<ul style="list-style-type: none"> • Competitive distribution rate and cost structure of COLLUS 	10
<ul style="list-style-type: none"> • Cultural and synergistic fit 	10
	100 Points

Collus Power Corp RFP, Data Combined from Proposal Evaluation, p 9, and Proposal Scope and Response, 3.1 Purchase of Shares Portion, p 12, October 4, 2011, [CPS0006891](#)

294. Collus Power included a list of materials that would be made available to the bidders in a "data room" located at the offices of KPMG in Toronto between October 5 and November 9, 2011. The list of documents included tax returns, financial statements, annual reports, budget forecasts, employee information, customer information, list of largest customers,

rate schedules, corporate information, assets and other regulatory and financial information.

Collus Power Corp RFP, October 4, 2011, [CPS0006891, p 13-14](#)

295. The RFP document stated that bidders should address all questions about the bid to Mr. John Herhalt, Partner, KPMG, via email.

Collus Power Corp RFP, October 4, 2011, [CPS0006891, p 10](#)

4.3 The Bidders are Required to Sign a Non-Disclosure Agreement

296. Prior to receiving their RFP documents, bidders were asked to sign a mutual non-disclosure agreement. This agreement required the bidding parties and Collus Power to abstain from disclosing confidential information to third parties. The RFP instructed bidders not to communicate with the media regarding their proposals or the RFP process.

Signed mutual non-disclosure agreement between the Town of Collingwood, Collus Power and Horizon Utilities Corporation, September 19, 2011, [ALE0049579](#)

Signed mutual non-disclosure agreement between the Town of Collingwood, Collus Power and Veridian Connections, undated, [TOC0516276](#)

Signed mutual non-disclosure agreement between the Town of Collingwood, Collus Power and PowerStream Inc., September 19, 2011, [TOC0516278](#)

Signed mutual non-disclosure agreement between the Town of Collingwood, Collus Power and Hydro One Network Inc., September 12, 2011, [TOC0516279](#)

Collus Power Corp RFP, October 4, 2011, [CPS0006891, p 15](#)

4.4 The Deputy Mayor Asks Paul Bonwick to Help Him with a PowerStream Issue; PowerStream Assists the Deputy Mayor

297. On October 4, 2011, Deputy Mayor Lloyd asked Paul Bonwick to assist a Barrie business. The Barrie business needed assistance from PowerStream with a transformer issue.

Email from Rick Lloyd to Paul Bonwick, October 4, 2011, [TOC0061079](#)

298. PowerStream executive Mark Henderson sent an email to Paul Bonwick describing the help provided to Deputy Mayor Lloyd's friend. Mr. Henderson asked Mr. Bonwick to "subtly let the Deputy Mayor know" that PowerStream went "beyond the norm" in helping with the project. Mr. Bonwick responded that the help provided by PowerStream was "very useful as it provides [Deputy Mayor Lloyd] an opportunity first hand to blow our horn during review stage." Mr. Bonwick forwarded Mr. Henderson's email to Deputy Mayor Lloyd, writing "[I]et's chat."

Email chain including Rusty Hastings, Shelly Cunningham, Irv Klajman, Mark Henderson, Paul Bonwick, and Rick Lloyd, October 4 – 5, 2011, [TOC0061382](#)

299. On October 10, 2011, Mr. Bonwick forwarded Deputy Mayor Lloyd the following language with the message "[a]s per your request":

Hi Mark:

Please accept my sincere thanks to you and your team for all your efforts on the recent matter I brought to your attention.

Your actions only reaffirmed the high level of confidence I have in the Powersteam organization. I have had an opportunity to follow up with [redacted] and I can also state that he could not be more pleased with the level of service your team has provided.

When we meet next I will more properly thank you but until that time I offer you my thanks.

Sincerely,

Rick Lloyd

Deputy Mayor,

Town of Collingwood

Email chain including Cindy Doyle, Paul Bonwick, and Rick Lloyd, October 10, 2011, [TOC0061763](#)

300. On October 14, 2011, Deputy Mayor Lloyd wrote to senior executives at PowerStream and copied Mr. Bonwick, writing:

Hi Mark:

Please accept my sincere thanks to you and your team for all your efforts on the recent matter I brought to your attention.

Your actions only reaffirmed the high level of confidence I have in the Powerstream organization. I have had an opportunity to follow up with [redacted] and I can also state that he could not be more pleased with the level of service your team has provided.

When we meet next I will more properly thank you but until that time I offer you my thanks.

Sincerely,

Rick Lloyd

Deputy Mayor,

Town of Collingwood

Email from Paul Bonwick to John Glicksman October 14, 2011 [ALE0000547](#)

4.5 Ed Houghton and Paul Bonwick Continue Solar Attic Vent Activity with PowerStream

301. During the bid period, Paul Bonwick and Ed Houghton continued to work on marketing and development for testing solar attic vents. Further details of these activities are found in Summary Document 1-3: The Solar Attic Vent Activity.

[Summary Document 1-3, The Solar Attic Vent Activity](#)

4.6 PowerStream Prepares its Bid with Paul Bonwick's Assistance

302. On October 5, 2011, Paul Bonwick sent a memo to PowerStream with some ideas concerning the company's RFP bid "based on input over the past several weeks." The memo, which was addressed to "PowerStream EVP Team", included the following headings and information:

- a. Monetary transaction: 30 Points. Comments under this heading included, "[r]ecommend utilizing liberal assessment to determine value, recognizing this represents the entry point of the regional market."

- b. Strategic Resources: 30 Points. Comments under this heading included, “[e]ngineering support and services agreement. Assess existing cost and provide lower comparables utilizing PowerStream.”
- c. Customer Experience: 10 Points.
- d. Employees: 10 Points.
- e. Community: 10 Points. Comments under this heading included, “[r]ecommendation to include provision for a \$1.00 per customer (\$18,00.00 per annum) for a community gifting fund to be used at the direction of Council...”
- f. Culture & Synergies: 10 Points. Comments under this heading included, “[p]roud to join in a supporting role of the Solar Initiative.”
- g. Issue Clarification/Management: No Points. Comments under this heading included, “[p]rovide example where existing private sector companies provide support staff...in a cooperative working environment. Veridian emphasized synergies with same Union.”

Email from Paul Bonwick to Brian Bentz, John Glicksman, Mark Henderson, Dennis Nolan and Eric Fagen, October 5, 2011, [ALE0000487](#) (email) and [ALE0000488](#) (attachment)

303. John Glicksman forwarded Mr. Bonwick’s memo to Daniel Miller, Dennis Nolan and Mark Henderson on October 5, 2011. John McNeil responded that day to Mr. Glicksman and Mr. Miller writing, amongst other things, “BTW -I did not receive a “copy of Paul’s Notes” but maybe I am not supposed to see them!”

Email chain including Victoria Scoffield, Brian Bentz, John Glicksman, Dennis Nolan, John McNeil, Daniel Miller, Paul Bonwick, and Mark Henderson, October 5, 2011, [ALE0000489](#)

304. On October 11, 2011, Daniel Miller emailed Paul Bonwick and John McNeil, looking for “some more information regarding the employee structure overview which is on page 4 of the RFP.” Mr. Miller wrote:

We would like to know which employees are in Collus Power, Collus Solutions, and Collus Public Utilities Board. We would also like to know for the employees who are

with Collus Solutions and the Utility Board the rough percentage of time they spend or is allocated to working for Collus Power.

Email chain including Daniel Miller, John McNeil, Paul Bonwick and John Glicksman, October 12, 2011, [ALE0000536](#)

305. On October 12, 2011, Paul Bonwick sent Mr. Glicksman a response to Mr. Miller's questions, writing:

The breakdown is as follows:

11 employees in Collus Power - all work 100% of their time in Collus Power

21 in Collus Solutions - 15 work roughly 50/50 in Collus Solutions and Collingwood Public Utilities

-5 work 100% for Collus Solutions

-1 works 100% for the Town of Collingwood

16 in Collingwood Public Utilities - all work 100% of their time for Collus"

Mr. Glicksman forwarded this information to Daniel Miller and John McNeil.

Email chain including Daniel Miller, John McNeil, Paul Bonwick and John Glicksman, October 12, 2011, [ALE0000536](#)

Email chain including Daniel Miller, John McNeil, Paul Bonwick and John Glicksman, October 12, 2011, [ALE0000537](#)

306. On October 12, 2011, Paul Bonwick emailed John Glicksman, asking him to review and forward the attached information. The subject line of the email was "Fwd: FW: IMAGE from Internet FAX", and the attachment was a chart setting out detailed information for employees of Collus Power and Collus Solutions, including name, position, birthdate, current age, hire date, number of years of service, early retirement date, and normal retirement date.

Email from Paul Bonwick to John Glicksman, October 12, 2011, [ALE0000532](#) (email) and [ALE0000533](#) (attachment)

4.7 Ed Houghton Identifies Tim Fryer's Opposition to the Deal to KPMG

307. On October 14, 2011, Jonathan Erling reported to John Herhalt that Ed Houghton had called to ask him to help Collus CFO Tim Fryer as much as possible. Mr. Houghton had told Jonathan Erling that he thought Tim Fryer's opposition to the deal was "showing up" in Mr. Fryer's slow responses to the data room requests from the bidders. Ed Houghton told Mr. Erling that he was concerned that Tim Fryer might "sabotage" the deal. John Herhalt replied, "amazing."

Email chain including Jonathan Erling and John Herhalt, October 13, 2011, [KPM0001289](#)

4.8 PowerStream Reviews and Revises its Retainer Agreement with Compenso Communications Inc.

308. On October 17, 2011, Paul Bonwick emailed John Glicksman, writing:

...Please let me know if you would like to review our agreement prior to your meeting Wednesday. I would also appreciate a look at the numbers that have been drafted for RFP if they are available."

Email from Paul Bonwick to John Glicksman, October 17, 2011, [ALE0000568](#)

309. By email dated October 16, 2011, John Glicksman provided Brian Bentz, Dennis Nolan and others with a memo regarding Paul Bonwick's continued retainer for discussion with the PowerStream Audit and Finance Committee the next day. The memo included comments that Mr. Bonwick had "proven to be a valuable asset in providing strategic and communication advice and in assisting us to be successful both with respect to the Collus bid and other utilities in the CHEC group." The memo stated that, "Executive Management is now recommending that we engage Mr. Bonwick on a long-term basis, subject to a normal termination clause at a monthly retainer of \$15,000, with pre-approved monthly expense allowance of \$2500 and a success fee of \$75,000 for each additional local distribution utility merger (i.e. LDC) and/or acquisition in the CHEC group after Collus with an additional bonus of \$100,000 to be paid at the five LDC consolidation mark and at the 10 LDC consolidation mark."

Email from John Glicksman to Brian Bentz, Dennis Nolan, Daniel Miller, Mark Henderson, Victoria Scoffield and Sandra DiPonio, October 16, 2011, [ALE0000565](#) (email) and [ALE0000566](#) (attachment)

310. On October 19, 2011 the PowerStream Audit and Finance Committee endorsed Management's recommendation to engage Paul Bonwick, via Compenso, on a long-term basis on the following terms:
- a. An increased monthly retainer of \$15,000;
 - b. Pre-approved monthly expense allowance of \$2,500;
 - c. A success fee of \$75,000 for each additional local distribution utility merger (i.e. LDC) and/or acquisition in the "CHEC group" after Collus Power;
 - d. A \$100,000 bonus payable after: (1) the successful merger or acquisition of five Local Distribution Companies in the CHEC; and, (2) 10 Local Distribution Companies in the CHEC;
 - e. No success fee for a merger or acquisition of Collus Power;
 - f. The contract would be terminated if no agreement with Collus Power had been executed by June 30, 2012; and
 - g. The contract would have an end date of December 31, 2012.

Email from Victoria Scoffield to Gino Rosati, Dan Horchik, Frank Scarpitti, Maurizio Bevilacqua, Jeff Lehman, Brian Bentz, Dennis Nolan, John Glicksman, Mark Henderson, Milan Bolkovic, Cecilia Murphy, Charlene Strudwick, Enza Barbieri, Grace Twynam, Joy Ciafardoni, Laura Venafro, Michelle DeBuono, Sandra DiPonio, Shirley Breedon, Daniel Miller, Carolyn Young, Colin Macdonald, October 17, 2011, [ALE0000569](#) (email) and [ALE0000571](#) (attachment)

Draft Minutes of a Meeting of the Audit & Finance Committee of PowerStream Inc., October 19, 2011, [ALE0000610](#)

PowerStream Inc. Board of Directors Meeting, October 24, 2011 [ALE0000619](#)

311. The PowerStream Board approved the amendments to PowerStream's contract with Compenso at its October 24, 2011 Board Meeting. The approved amendments included a

\$15,000 monthly retainer, a \$2,500 pre-approved monthly expense allowance, and \$80,000 merger or acquisition bonus per utility, 60-day termination notice, December 31, 2012 contract end date, and termination on June 30, 2012 “if no agreement for a transaction involving Collus Power has been executed.”

Approval of Engagement of External Consultants for Collus RFP, October 24, 2011, [ALE0000025](#)

Minutes of a Meeting of the Board of Directors, October 24, 2011, [ALE0001108](#)

312. On November 9, 2011, Paul Bonwick, on behalf of Compenso, and PowerStream executed an amended Consulting Engagement Letter.

Consulting Engagement Letter, November 9, 2011, [ALE0000852](#)

313. The amended Consulting Engagement Letter required Mr. Bonwick to provide written evidence that he had disclosed the scope of his services and retainer to the Mayor and the Clerk of Collingwood.

Consulting Engagement Letter, November 9, 2011, [ALE0000852, p 4](#)

314. The Letter covered the period from September 1, 2011 to December 31, 2012, and stated that Mr. Bonwick was to receive:

- a. \$15,000 per month; and
- b. An administrative fee of \$2,500 per month to cover out-of-pocket expenses.

Consulting Engagement Letter, November 9, 2011, [ALE0000852](#)

315. The Letter also stated:

A success fee in the sum of \$80,000 within 30 days after the Closing of a purchase or merger involving PowerStream or Collus/PowerStream with any LDCs.

Utility	Number of Customers
Centre Wellington Hydro	6,463
Collus Power	15,533

Innisfil Hydro	14,707
Lakefront Utilities	9,571
Lakeland Power Distribution	9,439
Midland Power	6,914
Orangeville Hydro	11,256
Parry Sound Power	3,377
Rideau St. Lawrence Distribution	5,818
Wasaga Distribution	12,046
Wellington North Power	3,613
West Coast Huron Energy	3,770
TOTAL	102,507

Consulting Engagement Letter, November 9, 2011, [ALE0000852](#)

4.9 PowerStream Authorizes the Collus Power Bid

316. On October 19, 2011, the PowerStream Audit and Finance Committee approved proceeding with the company's bid on Collus Power and agreed that Management should take the proposed bid to the Board for approval. On October 24, 2011, the PowerStream Board authorized Management to submit a bid for Collus Power.

Draft Minutes of a Meeting of the Audit & Finance Committee of PowerStream Inc., October 19, 2011, [ALE0000610](#)

Slide Presentation to PowerStream Inc, Board of Directors, "Collus Power-RFP Update" October 24, 2011, [ALE0000617](#)

Minutes of PowerStream Meeting of the Board of Directors, October 24, 2011, [ALE0001108](#)

4.10 Concern about Methodology about Establishing Purchase Price

317. On November 6, 2011, John McNeil sent John Glicksman a memo describing two methods of establishing the purchase price for Collus Power. Method 1 was described as the "Normalized Business Methodology." Method 2 was a method in which PowerStream would be less explicit about the recapitalization.

Email from John McNeil to John Glicksman and Daniel Miller, November 6, 2011, [ALE0000818](#) (email) and [ALE0000819](#) (attachment)

318. The memo provided, “It has been suggested to us (by Paul Bonwick), that we present the purchase price in the “best possible light” which follows the approach (apparently) taken by KPMG.”

Email from John McNeil to John Glicksman and Daniel Miller, November 6, 2011, [ALE0000818](#) (email) and [ALE0000819](#) (attachment)

319. Mr. McNeil observed that under Method 2, the purchase of the 50% interest “seems to be higher than under Method 1 but we would expect to get back to our net authorized purchase price...A critic might say this approach is not totally transparent.” In a later email to John Rockx of KPMG after PowerStream’s RFP bid was submitted, John Glicksman stated:

Further to our brief discussion this morning, I spoke to Brian Bentz, our President & CEO, after our call and he asked that I re-emphasize the following to you.

When we put our bid together we considered building in half of the recapitalization dividend into the price for the equity under the assumption that the utility would move to its deemed capital structure after the transaction took place, and that a recapitalization dividend would be paid out post closing to both shareholders on a 50-50 basis. This would have resulted in: an initial payment to the Town of Collingwood of 10.05 \$M (7.3 \$M + 3.75 \$M) with a recapitalization dividend after the transaction (eg. post closing) of 2.75 M\$ to each shareholder. We thought it was more transparent to instead make an offer of a cash payment for the equity of 7.3M\$ and a pre-closing recapitalization dividend of approximately 5.5 M\$ facilitated by PowerStream.

In both cases the Town of Collingwood receives a total cash amount of 12.8 M\$ (assuming they do not want their note of 1.7 M\$ redeemed).

I hope this provided further clarity on our conversation.

Email from John McNeil to John Glicksman and Daniel Miller, November 6, 2011, [ALE0000818](#) (email) and [ALE0000819](#) (attachment)

Email from John Glicksman to John Rockx, copy to Brian Bentz, Paul Bonwick, Mark Henderson, Daniel Miller, John McNeil, November 28, 2011, [ALE0001072](#)

4.11 Discussion about Changes to PowerStream's Bid: PowerStream Receives Information from Paul Bonwick about a Public Meeting

320. On November 6, 2011, John Glicksman forwarded John McNeil's email to Brian Bentz, Mark Henderson and Dennis Nolan, noting that "...how we present this offer is very strategic as our competitors may present it the way Paul is suggesting."

Email chain including John Glicksman to Brian Bentz, Mark Henderson, Dennis Nolan, Daniel Miller, John McNeil, and Sandra DiPonio, November 6, 2011, [ALE0000820](#) (email) and [ALE0000821](#) (attachment)

321. On November 10, 2011, Ed Houghton asked Mayor Cooper if she could meet after lunch to discuss "the strategic partnership". Later that day, Mr. Houghton sent Paul Bonwick a document containing two slide presentations. The first presentation was dated October 26, 2011 and discussed Collingwood's communications strategy for the RFP process. The second presentation was a draft dated November 21, 2011, titled "Public Information Centre Slide Deck", which provided details on the structure of the RFP, the evaluation criteria and listed the benefits of a strategic partnership. A version of the "Public Information Centre" presentation would later be used at a Collingwood public information session regarding the Strategic Partnership.

Email from Ed Houghton to Sandra Cooper, November 10, 2011, [CPS0008929_00001](#)

Email from Ed Houghton to Paul Bonwick, November 10, 2011, [TOC0066378](#) (email) and [TOC0066379](#) (attachment)

Collus Power Corp Public Information Centre Slide Deck, November 22, 2011, [CPS0002643](#)

322. On November 14, 2011, Paul Bonwick emailed Eric Fagen (Director, Corporate Communications at PowerStream). Mr. Bonwick advised that he had sent Dennis Nolan some changes to the Information Services section of the PowerStream proposal. Mr. Bonwick elaborated: "While the offer for back office support will become a reality I highly recommend removing at this time. A general offer of support will be more warmly received than telling them what we will provide. The senior person for this department is

presently very supportive. I don't want us to lose that support." The next day, Mr. Nolan responded that they had made the suggested change.

Email chain including Eric Fagen, Brian Bentz, John Glicksman, Mark Henderson, Paul Bonwick, Dennis Nolan, and Laura Venafro, November 14-15, 2011, [ALE0000916](#)

323. On November 14, 2011, Mr. Fagen sent an internal email to PowerStream staff, setting out a "recap of the tentative public disclosure and decision timelines for the COLLUS Power/Collingwood RFP that Ed Houghton and Paul Bonwick outlined to me in a conference call this morning".

Email from Eric Fagen to Dennis Nolan, John Glicksman, Mark Henderson, Daniel Miller, and Brian Bentz, November 14, 2011, [ALE0000894](#)

324. Mr. Fagen's email to Dennis Nolan, John Glicksman, Mark Henderson, and Daniel Miller, set out the following timeline:

November 17 (a.m.) COLLUS Power to issue news release that the utility is seeking a strategic partnership

November 17 (p.m.) COLLUS Power updates Town Council on the status of the RFP process.

November 22 (p.m.) Public Information Session in Collingwood

November 23 COLLUS Power Strategic Partnership Task Force begins review of RFP responses

December 2 COLLUS Power Strategic Partnership Task Force brings recommendation forward to COLLUS Power Board of Directors

December 5 COLLUS Power Board of Directors brings recommendation forward to an in-camera session of Collingwood Town Council

December 12 Resolution brought forward to Collingwood Town Council

Email from Eric Fagen to Dennis Nolan, John Glicksman, Mark Henderson, Daniel Miller, and Brian Bentz, November 14, 2011, [ALE0000894](#)

325. On November 15, 2011, Mr. McNeil commented to Mr. Glicksman and Mr. Miller that, "[g]iven the interest of 7.25% the Note is perhaps technically worth more than par."

Email chain including Eric Fagen, Brian Bentz, John Glicksman, Mark Henderson, Paul Bonwick, Dennis Nolan, and Laura Venafro, November 14 – 15, 2011, [ALE0000909](#)

4.12 The Other Bidders Prepare Bids for Collus Power

326. Horizon, Hydro One and Veridian prepared bids and asked questions of KPMG during the bid period. Horizon also contacted Ed Houghton directly. Examples of some of these questions and steps taken by the other bidders are found below.

4.13 Horizon Utilities

327. Horizon’s mergers and amalgamation working group added the Collus RFP to their agenda on September 26, 2011. The group considered the Collus bid again at its meeting of November 1, 2011. As part of the preparation for its bid, Horizon prepared a summary document outlining the various service agreements between Collus Power, Collus Solutions, the CPUSB and the Town of Collingwood. Horizon Vice-President of Business Development Neil Freeman reported that their consultant was only able to provide a high-level valuation with a wide range because of the “weaker than expected level of information and data availability.” Mr. Freeman noted that the publicised questions asked by the other bidders to KPMG suggested that the other bidders were having similar challenges with their valuations.

Mergers and Amalgamation Working Group Meeting Agenda, September 26, 2011, [ALE0049576](#)

Mergers and Amalgamation Working Group Meeting Agenda, November 1, 2011, [ALE0049648](#)

Collus Agreements and Descriptions, undated, [ALE0049677](#)

Email from Neil Freeman to Max Cananzi and John Basilio, November 1, 2011, [ALE0049734](#)

328. On November 2, 2011, Horizon CEO Max Cananzi stated in an internal email:

I am not recommending we respond to this deal the way the RFP is written. It is not accretive to shareholders. Too risky and no a good sense that I can control financial performance. We will however respond with a deal that would make sense to us (i.e.

more in line with a merger) and that we would be interested in transacting on but we are not hopeful that we will be successful since we deviate from the RFP.

Email from Max Cananzi to Bob Dolan, November 2, 2011, [ALE0049770](#)

329. A Horizon briefing note indicated that Collus had two large clients who would pose a large risk to revenues if they were to shut down. The largest user, with 10% of the usage overall was Collingwood Ethanol. Another Horizon briefing note listed due diligence items.

Briefing Note, Large User Impacts, undated, [ALE0049682](#)

Due Diligence Items, undated, [ALE0049704](#)

330. Horizon's bid was conditional on a 50% investment in both Collus Power and Collus Solutions. Horizon expressed interest in further discussions about an investment directly in Collingwood Utility Services Corp. (Collus, the holding company).

RFP Cover Letter from Max Cananzi to Dean Muncaster, November 16, 2011, [KPM0001768, p 2](#)

331. In an email to a Horizon board member on November 8, 2011, Max Cananzi wrote the following regarding the Collus RFP:

Collus Power – we are responding to an RFP that has been issued by Collus. They want a partner who is willing to invest in 50% of the utility company and provide additional services. We have analysed this proposal and we are submitting an alternative to what they are asking for. The way they are currently structured and some of the agreement they have in place severely limit the value that we can derive from this transaction if we bid on the basis that they want us to in accordance with the RFP. We will likely get disqualified from further consideration or there is a chance that they will want to know more. In any event if they insist in continuing on the path that they are on we should walk away from the deal. I don't like it and it would be my recommendation that we not enter into it. This will attract discussion.

Email from Max Cananzi to Margaret Nelligan, November 8, 2011, [ALE0049829](#)

332. Horizon knew its proposal did not conform to the Collus RFP as written. In an internal email on November 13, 2011, Max Cananzi, Horizon CEO, indicated that: "the RFP as written will not work for us." Mr. Cananzi further stated that the only acceptable options for Horizon were:

“1. Invest in 50% in both Collus Power and Collus Services Co [Collus Solutions] with the view of merging these two companies into one corporate entity to be governed by a single Board with Horizon and Collingwood Utility Services Co (HoldCo) as shareholders.

2. Alternatively we would be happy to discuss 50% ownership of Collingwood Utility Services Co (HoldCo).”

Email chain including Max Cananzi, Neil Freeman, and John Basilio, November 13, 2011, [ALE0049949](#)

333. On November 16, 2011, the day the bids were submitted, Max Cananzi called Ed Houghton. In a subsequent email to his team, Mr. Cananzi indicated the purpose of his call was “to smooth the waters for us and for him to have the background to our thinking.” Mr. Cananzi noted that Mr. Houghton “received the information well and looked forward to reading our proposal.”

Email from Ed Houghton to Max Cananzi, November 16, 2011, [ALE0050005](#)

Email chain including Max Cananzi, John Basilio, Neil Freeman, and Pam Hogg, November 17, 2011, [ALE0050014](#)

4.14 Veridian

334. Veridian Corporation (“Veridian”) is a local distribution company (LDC) that was the product of acquisitions and mergers with other Ontario LDCs in communities in rural and urban areas in nine communities from Pickering on the west to Belleville in the east and Gravenhurst in the north. In 2011 Veridian described itself as one of the largest utilities in Ontario but of the size where “shareholders have a voice and the connection to community remains strong.”

Veridian Bid Documents - Part Two, November 16, 2011, [VER0000164, p 5](#)

335. Veridian created a committee to meet and guide its preparations for the RFP. It also created a planning checklist to address each part of the Collus Power RFP criteria. A proposed internal timeline included internal approval dates and project completion steps between October 28 and November 16, 2011.

Collus Committee Agenda, October 28, [VER0000019](#)

Veridian Planning Checklist, undated, [VER0000002](#)

Collus Committee Agenda, November 4, 2011, [VER0000018](#)

336. Notes made by Veridian in considering its bid raised issues related to the management structure at Collus, OEB requirements for affiliates and the Affiliate Relationship Code (ARC).

Veridian notes (George), undated, [VER0000014](#)

337. On October 12, 2011, PowerStream had received information from Paul Bonwick about Collus, Collus Power and Collus Solutions employees. This included names, positions, dates of birth, and retirement dates. On October 31, 2011, Veridian looked for this information in the data room, but it was not there. The next day, another Veridian employee checked the online data room and identified a document with the same headings.

Email from Paul Bonwick to John Glicksman, October 12, 2011, [ALE0000532](#) (email) and [ALE0000533](#) (attachment)

Email chain including Mark Turney, Executive Staff, Laurie McLorg, Peter Petriw, and Tanya Laschuk, October 31-November 1, 2017, [VER0000134](#)

Veridian copy of Collus Power, Solutions employees, undated, [VER0000017](#)

338. Veridian reviewed the Collus Power data room documents and summarized its findings.

Email chain including Mark Turney, Executive Staff, Laurie McLorg, Peter Petriw, and Tanya Laschuk, October 31-November 1, 2017, [VER0000134](#)

4.15 Veridian Asks Whether a Bid for more than 50% of Collus Power Would Disqualify the Bidder

339. On October 28, 2011, Veridian representatives asked John Herhalt of KPMG whether it would be disqualified if Veridian submitted an alternate proposal to purchase more than 50% of Collus Power. Mr. Herhalt forwarded this email to Ed Houghton and Jonathan Erling and indicated that his answer to the question would be “yes” that Veridian would

be disqualified. Mr. Erling responded in an email to Mr. Herhalt alone, “couldn’t we allow them to submit an “alternative” proposal, but then just ignore it if Collingwood doesn’t wish to consider it. Sounds like they are going to submit a compliant proposal for a 50% share in any event. Who knows, the proposal with more than a 50% share might be very attractive.” Mr. Herhalt replied, “They don’t want it in the mix – it would taint the process. I will explain it to you tomorrow.” Later that day, Mr. Houghton emailed Mr. Herhalt indicating that he agreed that Veridian should be disqualified if it offered to buy more than 50% of Collus Power’s shares.

Email chain involving Dave Clark, John Herhalt, Ed Houghton and Jonathan Erling, October 28 – 31, 2011, [KPM0001441](#)

Email chain involving Dave Clark, John Herhalt, Ed Houghton and Jonathan Erling, October 28 – 31, 2011, [TOC0540520](#)

4.16 Hydro One

340. Hydro One is a provincial corporation, and the largest electrical utility in Ontario, in the business of transmitting and distributing electricity. Its history goes back to 1906 when the Ontario Legislature passed the *Power Commission Act* establishing the Hydro-Electric Power Commission of Ontario (HEPC).

Bid Documents - Part Two, November 16, 2011, [CJI0007007](#)

Hydro One About Us, [CJI0009627](#)

341. Hydro One called KPMG to ask questions. John Herhalt suggested Jonathan Erling call Hydro One and “bring his attention to the sentence that reads questions should be directed in writing to John Herhalt”. Mr. Erling reported that he would make that call “shortly.”

Email chain including Tim Fryer, Ed Houghton, John Herhalt, Jonathan Erling, and Diane Meehan, October 5 - 6, 2011, [KPM0001187](#)

342. KPMG resisted sending out the link to the electronic data room out of concern that they did not have all the proponents’ email addresses and thus it might “create an uneven

playing field.” The electronic data room access information was later sent to Hydro One and PowerStream on Tim Fryer’s instructions.

Email exchange between Mark Hammond, Larry Irwin, Tim Fryer, John Herhalt, Jonathan Erling, and Diane Meehan, October 6 – 11, 2011, [KPM0001220](#)

Email chain involving Tim Fryer, Mark Hammond, Larry Irwin, John Herhalt, Jonathan Erling, Ed Houghton, and Diane Meehan, October 6 – 11, 2011, [KPM0001226](#)

4.17 Concerns Raised about Sharing One Bidder’s Questions with the Other Bidders

343. On October 19, 2011, Jonathan Erling advised Hydro One that questions asked by a bidder and answers provided in response would only be seen by that bidder. However, Collus Power reserved the right to make additional information in response to any questions asked available to all bidders. Mr. Erling further discussed the issue with Hydro One. Mr. Erling summarized that conversation for John Herhalt. Mr. Erling reported that Hydro One indicated that it was unusual not to have full disclosure of all questions and answers to everyone. Mr. Erling responded to Hydro One that “...the idea was to allow people to ask questions that may reflect their own unique circumstances, and to not discourage these questions by bidders for fear that their thinking will get revealed to everybody else.”

Email chain including Jonathan Erling, Kristina Gaspar, Bill Meeker, and John Herhalt, October 19, 2011, [KPM0001308](#)

344. On October 21, 2011, Hydro One sent a detailed list of questions to KPMG including a request for additional financial information, whether shares in Collus Power could be transferred to a holding corporation owned by the municipality, and tax information. Hydro One inquired about making site visits. Hydro One noted that some materials were not yet available and asked to know the timing of when the “complete set of materials listed [would be available].” On October 24, 2011, Hydro One sent an additional list of questions to KPMG. On October 25, 2011, John Herhalt forwarded his suggestions on how to respond to both sets of questions to Ed Houghton.

Email chain including Kristina Gaspar, John Herhalt, Jonathan Erling, W.e.meeker@HydroOne.com, jim.hall@HydroOne.com, and Ed Houghton, October 21-25, 2011, [CPS0002511](#)

Email chain including Kristina Gaspar, John Herhalt, Jonathan Erling, W.e.meeker@HydroOne.com, jim.hall@HydroOne.com, and Ed Houghton, October 24-25, 2011, [CPS0002510](#)

345. One of the questions Hydro One asked KPMG on October 21, 2011 was if the bids were “to be based on a share purchase of Power Corp. alone, or Solutions Corp. as well.” On November 2, 2011, Jonathan Erling circulated a draft answer which included:

The proposals are to be based on a purchase of the assets of COLLUS Power Corp alone. ... COLLUS is investigating ways to structure the transaction at the holding company level, by selling shares in Collingwood Utility Services Corp (CUS), instead of selling shares in COLLUS Power. In the event that the transaction occurs at the holding company level (i.e. by selling shares in CUS), the assets and operations of Solutions Corp, which is now a subsidiary of CUS, would likely be transferred out of CUS in advance of the transaction.

In Tim Fryer’s response the next day, Mr. Fryer indicated that “the transaction will most likely be the Collingwood Utility Service Corp’s shares being sold by the Town of Collingwood”

Email chain including Kristina Gaspar, John Herhalt, Jonathan Erling, W.e.meeker@HydroOne.com, jim.hall@HydroOne.com, and Ed Houghton, October 21-25, 2011, [CPS0002511](#)

Email chain including Tim Fryer, Jonathan Erling, Ed Houghton, John Herhalt, Shawn Stern, Cindy Shuttleworth, and Dean Muncaster, November 2-3, 2011, [TOC0521817](#)

346. There is no record of Mr. Erling’s draft response having been approved or provided to Hydro One by KPMG or by Collus Power representatives.
347. On November 3, 2011, Ed Houghton forwarded an email to Chair Dean Muncaster which included a discussion of the tax treatment of the shares if the holding company, Collus, was to be the entity sold, along with the email drafted by Mr. Erling with the draft answer to Hydro One about selling shares in Collus instead of Collus Power. Mr. Houghton wrote to Chair Muncaster, “FYI...Ed.”

Email chain including Tim Fryer, Jonathan Erling, Ed Houghton, John Herhalt, Shawn Stern, Cindy Shuttleworth, and Dean Muncaster, November 2-3, [TOC0065479](#)

4.18 Communications Strategies and Rumours of a Collus-PowerStream Merger

348. On October 25, 2011, Paul Bonwick sent a note to John Glicksman at PowerStream to say that Mr. Bonwick had the opportunity to “gather some intelligence relating to communications strategy.” Mr. Bonwick sent an email that same day to Brian Bentz stating: “I have had the opportunity to follow up on the communications strategy along with implementation. If you have time I can provide you and update on their current direction.”

Email chain including Paul Bonwick, John Glicksman, and Christine Harper, October 25, 2011, [ALE0000646](#)

Email chain including Paul Bonwick, Peter Budd, and Brian Bentz, October 25, 2011, [ALE0000655](#)

349. On October 26, 2011, Ed Houghton gave a presentation to Collus Power discussing communication strategies for the upcoming share sale. The slide deck from this presentation described “rumours” about the sale of Collus Power and the importance of full disclosure to “the public, our staff and our Shareholder.” The presentation described messaging that should go out to the public regarding the sale and specified that there should be one designated person to speak. Draft Collus Power slides for a public information session were attached to the end of the communications strategy slide deck.

Collus Power Slide Deck, “Communications Strategy” October 26, 2011, [CPS0002623](#)

350. On November 8, 2011, a Barrie City Councillor sent an email to Mayor Jeff Lehman, to say that the “Collingwood media” knew about “the Collus/PowerStream quasi-merger” because of a call to him.

Email chain including Barry Ward, Jeff Lehman, and Lynn Strachan, November 8, 2011, [ALE0004247](#)

4.19 Meanwhile, KPMG Identifies Tax Issues for a Hydro One Purchase of Collus Power: October 26-November 3, 2011

351. On October 26, 2011, KPMG partner John Herhalt advised Ed Houghton and Jonathan Erling that KPMG tax partner Shawn Stern would be reviewing the tax implications of disposing of a 50% interest in Collus Power. Mr. Houghton asked that any queries about this be directed to him or to Collus' Chair, Dean Muncaster. In a reply sent only to Mr. Herhalt, Mr. Erling asked: "Does this mean that Tim Fryer should be out of the loop on this issue?". Mr. Herhalt responded: "first through Ed". On the same day Mr. Erling asked Mr. Houghton for the tax returns for Collus.

Email chain between John Herhalt, Jonathan Erling, Shawn Stern, Dean Muncaster and Ed Houghton, October 26, 2011, [KPM0001360](#)

Email from Jonathan Erling to Ed Houghton, October 26, 2011, [CPS0002520](#)

352. On October 28, 2011, Jonathan Erling of KPMG described for Ed Houghton and Dean Muncaster the tax issues that could arise from a Hydro One purchase of Collus Power due to Hydro One being a provincial corporation. Mr. Erling advised that this meant a tax liability to Collus Power. Mr. Erling advised that to avoid this tax problem, Hydro One would either need to purchase its interest at the holding company level, that is 50% of Collus, or it would need to purchase 100% of Collus Power.

Email from Jonathan Erling to Ed Houghton, copying Dean Muncaster, John Herhalt and Shawn Stern, October 28, 2011, [KPM0001403](#)

353. Before sending this email to Ed Houghton, Jonathan Erling sent a copy of the email to tax partner Shawn Stern at KPMG with the attached subject line, "See if this works".

Email from Jonathan Erling to Shawn Stern, October 28, 2011, [KPM0001406](#)

354. On October 28, 2011, Jonathan Erling also informed Ed Houghton, John Herhalt and Shawn Stern about the tax consequences that would result from other municipally owned entities purchasing 50% of Collus Power. Mr. Erling noted that Collus would have a capital gain on the shares if the proceeds exceed the tax cost of the shares, depending on how

the corporation was set up and the fair value of the entity. Mr. Erling suggested a follow up conference call to discuss these issues.

Email from Jonathan Erling to Ed Houghton, copying Dean Muncaster, John Herhalt and Shawn Stern, October 28, 2011, [KPM0001403](#)

355. On November 3, 2011, Tim Fryer noted in an email to KPMG, Ed Houghton and Cindy Shuttleworth that "...the transaction will most likely be the Collingwood Utility Service Corp.'s shares being sold by the Town of Collingwood." This was the email, noted above, that was sent to the Chair by Ed Houghton, with information about Hydro One asking about purchasing other Collus entities.

Email from Tim Fryer to Jonathan Erling, Ed Houghton, John Herhalt, Shawn Stern, and Cindy Shuttleworth, November 3, 2011, [CPS0002565](#)

356. On November 15, 2011, Tim Fryer corresponded with KPMG about the fact that Collus Power's largest customer, AGP, would owe \$1 million by the end of the bid period. Mr. Fryer suggested that the bidders be provided with this information.

Email chain including Tim Fryer, Jonathan Erling, Mark Hammond, Ed Houghton, Grant McArthur, Martin Kazmir, Isomerville@collingwoodethanol.com, SThurailingam@AmaizinglyGreen.com, rperch@amaizinglygreen.com, BChandler@CollingwoodEthanol.com, dharrison@AmaizinglyGreen.com, Andrea Garner, and Cindy Muller, November 15, 2011, [TOC0526729](#)

4.20 November 2011: Discussions Regarding Business Structure and Distribution Plans for ISSI (Solar Attic Vent)

357. On November 3, 2011, Peter Budd sent an email to Ed Houghton with the subject line "ISSI Marketing Corp. (IMC)". Mr. Budd wrote:

In order to move this concept along within the next two weeks, I think we need to step up our discussions respecting the expectations of the participants in the proposed IMC.

[...]

We obviously need more working capital in the company as we are/were short of start-up capital and have invested our spare change as any other start-up would. Tom and I continue to fund all of those start up costs for the operation to move forward.

...[B]ut, before you both, the LDC marketers joined, the deal was 70/30 TB/PB on everything from sales, costs, mktg, etc.

Then, with Paul and Ed, with the inaugural LDC deal in sight, we established an amended sharing arrangement: 35/35/30 for TB/EH-PB/PB. That worked well. Tom agreed to it. Cash was fully distributed and partially to PB/TB.”

The email went on to describe potentially new shares for all the partners. Mr. Budd asked for clarification and suggested a meeting with his accountant to “live model” the concept during the week of November 14. Mr. Houghton forwarded this email, without comment, to Shirley Houghton.

Email chain including Peter Budd, Paul Bonwick, Ed Houghton, and Shirley Houghton, November 3, 2011, [TOC0065379](#)

358. On November 11, 2011, Abby Stec, a senior associate at Compensio, sent Ed Houghton and Paul Bonwick a draft marketing and distribution business plan for ISSI. The business plan detailed ISSI’s intention to market solar attic vents to LDCs as well as other groups such as home builders, roofing contractors, Aboriginal communities and big box stores.

Email from Abby Stec to Ed Houghton and Bonwick, November 11, 2011, [CPS0008936 00001](#) (email) and [CPS0008937 00001](#) (attachment)

[Summary Document 1-3: The Solar Attic Vent Activity](#)

4.21 The RFP Bids are Submitted

359. On November 16, 2011 all four bidders delivered their bids as requested. Each bid was separated into two sections as required by the RFP. The first section contained financial information as to the price offered for 50% of shares in Collus Power. The second section contained information about the non-financial elements of each bid.

Hydro One Inc. Strategic Partnership Proposal, November 16, 2011, [CJI0007005 \(part one\)](#), [CJI0007007 \(part two\)](#)

PowerStream Strategic Partnership Proposal, November 16, 2011, [ALE0000966 \(part one\)](#), [ALE0000967 \(part two\)](#)

Veridian Connections Strategic Partnership Proposal, November 16, 2010 [VER0000163 \(part one\)](#), [VER0000164 \(part two\)](#)

Horizon Utilities Strategic Partnership Proposal, November 16, 2010, [CPS0006136 \(part 1\)](#), [KPM0001652 \(part 2\)](#)

4.22 The Financial Components of Each Bid

360. The following paragraphs describe in brief, the financial elements of each bid, before they were analyzed and recalculated by KPMG. A summary document contains additional details about the bids and the KPMG analysis of the bids.

[Summary Document 1-4: Overview of the Bids](#)

361. The Horizon Utilities Bid: The financial components of the Horizon bid included the following:

- a. Cash payment of between \$6.5 million and \$8.5 million for 50% of the shares of Collus Power and Collus Solutions or, alternatively, 50% of the shares of Collingwood Utility Services (Collus).
- b. Repayment of the \$1.7 million loan due to the Town.
- c. Recapitalization after completion of the share sale based on 60 percent debt and 40 percent equity, the maximum debt level allowed by the OEB guidelines. The Horizon bid noted that the higher debt to equity ratio would decrease the cost of doing business (since the cost of debt is less than the cost of equity) and, thereby, lessen pressure for rate increases and increased shareholder returns. The Horizon bid did not provide an estimate of the recapitalization dividend but referred to it as an opportunity for a one-time special dividend and that both Horizon and Collingwood Utility Services would benefit.

Horizon Utilities Strategic Partnership Proposal, November 16, 2010, [CPS0006136](#)

362. The Hydro One Bid: The financial components of the Hydro One bid included the following:

- a. Cash payment of \$13.6 million for 50% of the shares of Collus Power.
- b. Repayment of the \$1.7 million loan due to the Town.
- c. Recapitalization after completion of the share sale based on a 60%/40% debt-to-equity ratio. The Hydro One response noted that this was a more efficient capital structure and would result in total debt of \$8.1 million (after repayment of the \$1.7 million loan due to the Town) and a \$6.4 million recapitalization dividend to be split equally between the Town and Hydro One, i.e., \$3.2 million to each party.

Hydro One Inc. Strategic Partnership Proposal, November 16, 2011, [CJI0007005 \(part one\)](#)

363. The PowerStream Bid: The financial components of the PowerStream bid included the following:

- a. Cash payment of \$7.3 million for 50% of the shares of Collus Power.
- b. Repayment of the \$1.7 million loan due to the Town.
- c. Recapitalization prior to completion of the share sale based on a 60%/40% debt-to-equity ratio. PowerStream's bid estimated the recapitalization dividend to be \$5.5 million with the full amount of the dividend being payable to the Town.

PowerStream Strategic Partnership Proposal, November 16, 2011, [ALE0000966 \(part one\)](#)

364. The Veridian Bid: The financial components of the Veridian bid included the following:

- a. Cash Payment of \$6.5 million for 50% of the shares of "Collus" (assumed to be Collus Power).
- b. Repayment of the \$1.7 million loan due to the Town.
- c. Recapitalization after completion of the share sale based on a 60%/40% debt-to-equity ratio. The Veridian response estimated additional debt of \$5.7 million (\$4 million of

new debt plus \$1.7 million in new debt to repay the loan due to the Town). Accordingly, the recapitalization dividend was estimated to be \$4.0 million to be split equally between the Town and Veridian, i.e., \$2.0 million to each party.

Veridian Connections Strategic Partnership Proposal, November 16, 2010, [VER0000163 \(part one\)](#)

4.23 The Non-Financial Elements of the Bids

365. As provided for in the RFP document, the non-financial elements of the bid included:

- Provision of strategic and specialized resources
- Support in growing the Collus Power business
- Support for employees and their careers
- Customer experience and satisfaction
- Supporting the interests of the communities we serve
- Competitive distribution rate and cost structure of Collus Power
- Cultural and synergistic fit

A table summarizing the bid components by area of RFP is included within Summary Document 1-4, and is titled, Table 1-4-1.

[*Summary Document 1-4: Overview of the Bids*](#)

4.24 Summary Table 1-4-1: Non-Financial Bid Details

366. The PowerStream bid included a description and images from the Collus Power and PowerStream marketing project of the solar attic vents that involved Ed Houghton and Paul Bonwick in the summer of 2011. The bid cited Collus Power and PowerStream's collaboration on the solar roof vent project to demonstrate that the two companies had a "cultural and synergistic fit" and could work together to promote conservation and demand management.

[*Summary Document 1-3: The Solar Attic Vent Activity*](#)

PowerStream Strategic Partnership Proposal, November 16, 2011, [ALE0000967 \(part two\), p 8, 22-23](#)

367. PowerStream's response included a service level agreement where PowerStream would provide services to Collus Power. It envisioned growing the merged company into a regional utility with a focus on CHEC LDCs. It proposed to maintain existing union representation and to maintain or expand local employment, with no involuntary layoffs.

[Summary Document 1-3: The Solar Attic Vent Activity](#)

PowerStream Strategic Partnership Proposal, November 16, 2011, [ALE0000967 \(part two\), p 8, 22-23](#)

368. Horizon's response included a series of services it could provide to Collus Power. Horizon offered to provide employees with rotations in either Collus Power or Horizon, and to maintain existing union relations.

Horizon Utilities Strategic Partnership Proposal, November 16, 2010, [CPS0006136](#)

369. Hydro One stated, amongst other things, that it would maintain existing financial information systems, support structures, employee groups and unions. It also offered job training and access to its Employee Family Assistance Program. It also committed to maintaining existing rates, subject to adjustments under Incentive Regulation Management until a rebasing is required. Hydro One offered to relocate an operating centre, with 20 jobs, to Collingwood.

Hydro One Inc. Strategic Partnership Proposal, November 16, 2011, [CJI0007007](#)

370. Veridian's response included discussion of the equity and capital support it would bring to the partnership. Employees would be eligible for opportunities in either Collus Power or Veridian, with employee sharing and secondment options.

Veridian Connections Strategic Partnership Proposal, November 16, 2010, [VER0000164](#)