

COMPENSO COMMUNICATIONS INC.

"Bringing People Together"

***COMMUNICATIONS & STRATEGIC ACQUISITIONS
PROPOSAL***

FOR

POWERSTREAM

Submitted by: Compenso Communications Inc.

JAN 18, 2011

BACKGROUND

OVERVIEW OF ISSUE

PowerStream's vision as stated, "We will be a socially responsible company, committed to the environment and sustainable growth, leading the way into the future with boldness, innovation and best in class performance." As PowerStream continues to deliver on the vision for their Company, sustainable growth and boldness will be required to experience continued success. It is as a result of this fact that PowerStream continues to explore opportunities throughout Ontario in the Utilities Sector.

REQUEST FOR PROPOSAL

Provide in-depth research identifying opportunities within the Province of Ontario that provide the PowerStream Team the opportunity to review and potentially bid on other Local Distribution Companies (LDC's)

Provide strategic advice assisting the PowerStream Team in both their communications and their approach to potential acquisitions.

Assist in the development of business plans when called upon to ensure PowerStream delivers the most professional, concise and understandable document to a potential Vendor or Partner.

Compenso Communications Inc

Our organization brings with it over 100 years of related government experience. Mr. Bonwick has served on Municipal Council overseeing Municipal Infrastructure and Community Development, as well as seven years as a Federal Member of Parliament. During his seven years with the Federal Government Mr. Bonwick was appointed Parliamentary Secretary Responsible for Post Secondary Education. These experiences allowed for him to established strong networks within federal, provincial and municipal governments.

Our team utilizes constructive, mutually beneficial relationships between organizations and governments to secure an acceptable solution and achieving maximum benefit for all Parties. We have established networks within federal, provincial, and municipal governments. Our positive working relationship with both elected and non-elected officials allows us to communicate and assist in the successful bid for policy changes, procurement and program support. Our strong understanding of the policy process and protocol within both the political and administrative arms of government allows us to position client interests effectively with key decision makers.

Our Government Relations and Communications firm's competitive advantage is reflected in our ability to provide end-to-end measurable services including monitoring, research and analysis, issues management, strategic communications and government relations services.

PROPOSED SCOPE OF WORK

General Objectives

- Identify for the purpose of acquisitions any Local Distribution Company (LDC) in the Province of Ontario that may present an opportunity for purchase.
- Prepare detailed briefing identifying key decision makers related to a particular opportunity.
- Assist in the preparation of Proposal.
- Provide strategic advice relating to communications.
- Assist with any other duties required as it relates to an acquisition.

METHODOLOGY AND DELIVERABLES

While executing this research and acquisition program we will undertake the following:

Build the Case and Enhance Profile:

- Provide consistent, professional, and concise information/reports outlining the history of the current situation as well as recognizing the potential short and long term impacts.
- Ensure key decision makers have clear access to relevant information to move forward in a positive manner.
- We will recommend and develop appropriate positioning depending on the audience and objective.

Develop a Personalized Contact Program:

- This will ensure that PowerStream appropriately targets its messaging. The purpose will be to obtain, maintain and enhance political and bureaucratic relationships related to this file.
- Seek out internal government champions to help position and advocate for the initiative.

Access Key Decision Makers:

- We will work with PowerStream, developing and implementing specific strategies for communicating your unique benefits. As PowerStream's plans progress, we as a matter of course will make every effort to maintain progressive professional profile for our client. It is your success that is our priority.

Issue Monitoring:

- Compenso Communications is in constant contact with the Municipal Government Leaders and as such is able to monitor and report any changes or opportunities that may arise. As your early-warning system, our intelligence gathering will help prepare you to respond to any potential critical challenges brought forward regarding this approach.

Tactical Recommendations:

- Throughout this process we will provide PowerStream with an identified contact list and detailed verbal brief of tactics and recommended approaches for proceeding.

Timelines

- Compenso Communications will be engaged as of January 24, 2011
- The initial contract period will be for six months ending July 31, 2011

FEES

- i) Compenso Communications would be pleased to assist PowerStream in expanding its presence in the Province of Ontario. The fee structure for developing and implementing the outlined approach will be \$9,500.00 per month plus applicable taxes to be billed on a monthly basis.
- ii) Please note that total monthly expense over \$1,000.00 must be authorized by PowerStream CEO.
- iii) A success fee shall be calculated based on the acquisition price of a particular Local Distribution Company of 2.5% paid within 10 days of closing.

CONFIDENTIALITY

Compenso Communications provides effective professional services to its clients on the basis of unreserved communication between the consultant(s) working on a client's project and client or the client's representatives. We hold confidential all information concerning client's affairs and business during the period in which we are retained and for one year afterwards.

CONCLUSION

Compenso is uniquely positioned to effectively support the interests of the PowerStream. We understand your views and have the experience that will help you strengthen and secure your desired position.

BIO OF CONSULTANTS

Paul Bonwick, P.C.

- Served as a Municipal Councilor for the Town of Collingwood 1994-1997
- Member of Parliament for Simcoe-Grey from 1997-2004
- Parliamentary Secretary to the Minister of Human Resources and Skills Development
- Member of the Queens Privy Council
- Over 20 years in policy and communications roles within federal and municipal governments
- Senior Principal of Compenso Communications Inc.

During his tenure on council, Mr. Bonwick served as chair for numerous committees. Additionally, Paul was directly involved in the policy-making and legislation implementation for the municipality. Paul's considerable knowledge of the workings of municipal and regional governments assisted him greatly in his role as Member of Parliament, in recognizing the needs of municipalities.

In addition, while Paul was the Vice Chair of the Standing Committee on Heritage, he participated in an intensive study of Canada's Broadcast System. Other committees that Paul sat on include; the Joint Committee on Scrutiny of Regulations. Mr. Bonwick was also a Member of the 1998 Prime Minister's Task Force on Financial Services and served as a member of the Prime Minister's Task Force on Youth Entrepreneurship. His Caucus also researched and reported to the Prime Minister on the creation of a permanent funding model for municipal and provincial infrastructure in Canada.

In his capacity as a Member of Parliament Paul Bonwick also served as Chair of the National Railway Caucus, Chair of the South-West Ontario Caucus reporting directly to the Prime Minister, Chair of the Crossing Boundaries Council (joint provincial/federal committee).

Paul currently resides in Collingwood, Ontario with his wife Sandi and their three children, Alex, Amy and Matthew.