



Audit and Finance Committee

M&A and Renewable Generation Update

March 8, 2011

Quick Facts about Collus Power



- Serves the Town of Collingwood, Thornbury, Stayner and Creemore.
- 14,400 Customers
 - 12,700 Residential
 - 1,700 Commercial and Industrial
- Distribution Revenue - \$5.1M
- Total Assets - \$21M
- Approximate Rate Base - \$16.8M
- Debt : Equity - 14%
- Net Income - \$449K

- Financial information is from the respective 2009 financial statements for each utility.

Collus – Rate Base Multiple



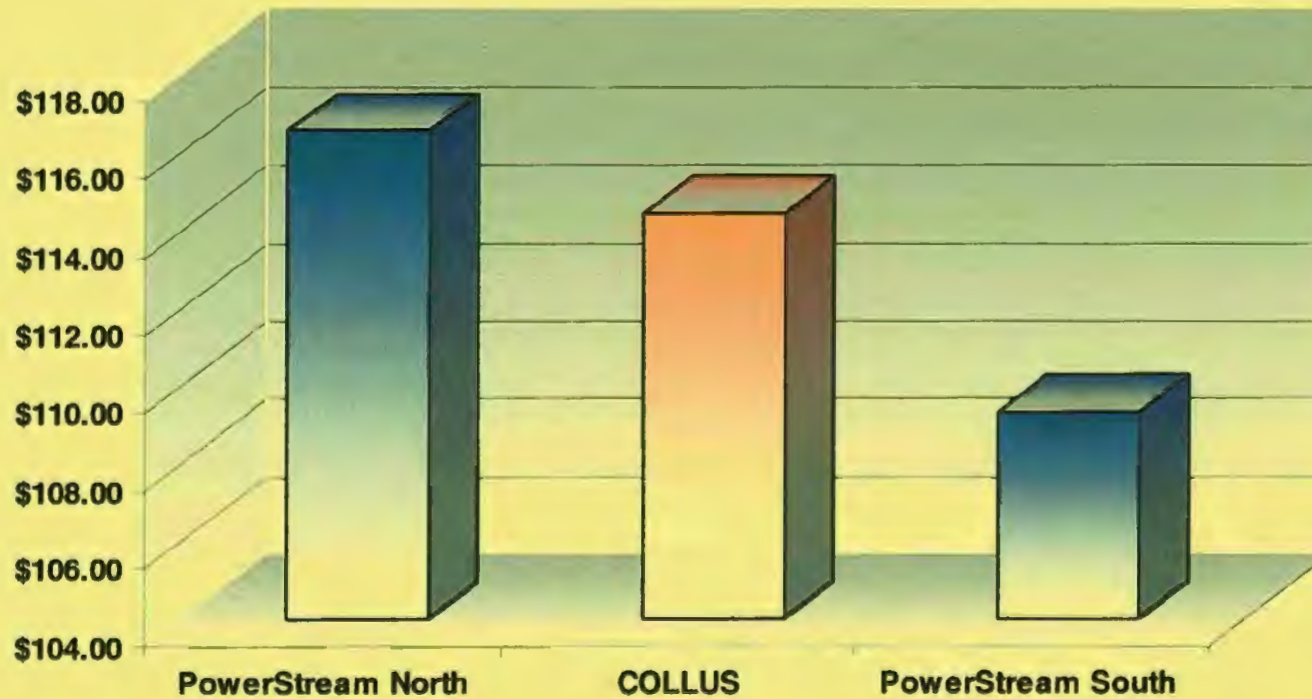
Purchase price has historically been based on Rate Base multiple

Multiple	Price (\$000s)
1.05	\$ 17,623
1.1	\$ 18,462
1.15	\$ 19,302
1.2	\$ 20,141
1.25	\$ 20,980
1.3	\$ 21,819
1.35	\$ 22,658
1.4	\$ 23,498

Total Bill Comparison



2010 Total Bills Comparison for Typical Residential Customer (800 kwh)



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Collus Power



- We understand that the Collus' Audit and Finance Committee has engaged a consultant to value the utility in case of a potential sale.
- Through informal discussions with Senior Employees of Collus Power, it was suggested that PowerStream explore the potential of hiring Paul Bonwick as a consultant.
- Mr. Bonwick would assist PowerStream in navigating and advising PowerStream on how to best work with the Town of Collingwood's Council if an acquisition opportunity were to arise with Collus Power.
- Mr. Bonwick is the brother of the current mayor of Collingwood.

Paul Bonwick



- Mr. Bonwick was a Member of Parliament from 1997 to 2003 representing the Simcoe- Grey riding.
- Prior to serving as a Member of Parliament, Mr. Bonwick was a Municipal Councillor for Collingwood.
- Currently, Mr. Bonwick lives in the Town of Collingwood and operates a Government Relations and Communications firm servicing clients in Canada and the United States.



Collus Power (cont'd)

- The Deputy Mayor of Collingwood has confirmed that the Municipal of Conflict of Interest Act clearly identifies that a Member of Council is not deemed to be in conflict if it's the interest (direct or indirect) of a sibling.
- Should PowerStream pursue this arrangement, at a minimum we would want to ensure that there is full disclosure.
- Mr. Bonwick has proposed to PowerStream compensation of a work fee plus a success fee if PowerStream were to complete an acquisition of Collus.