



CONFIDENTIAL

July 31, 2012

Mayor Sandra Cooper
The Corporation of the Town of Collingwood
P.O. Box 189
43 Stewart Road
Collingwood, ON
L9Y 3Z5

Re: PowerStream Purchase of 50% of Collingwood Utility Services Corp.

Dear Mayor Cooper:

The Parties have entered into a Share Purchase Agreement dated as of March 6, 2012, contemplating the entering into of a unanimous shareholders agreement (the "Shareholders Agreement"), and the acquisition by PowerStream of 50% interest in Collingwood Utility Services Corp., and its subsidiaries including COLLUS PowerStream Corp., hereinafter referred to as the "Corporation". Those transactions are all being completed today.

This letter is to confirm that it is the intent of PowerStream Inc. ("PowerStream") and The Corporation of the Town of Collingwood ("Town of Collingwood") to pursue significant growth opportunities on a prudent and profitable basis, where it enhances the Corporation's strategic position, and creates economies of scope and scale. Specifically, the Corporation will pursue opportunities for the acquisition, merger or other business arrangements with local distribution companies within the CHEC Group of LDCs, and consider other opportunities for acquisition, merger or other business arrangements, upon the recommendations of the Management and the Board of the Corporation, and such proposals shall be reviewed and considered by each Shareholder, acting in good faith, in the best interests of the Corporation.

In accordance with Section 14.11 of the Shareholders Agreement, this is also to confirm that PowerStream and the Town of Collingwood agree that the Corporation shall have the first right to evaluate and or pursue such M&A opportunities that may arise with CHEC Group of LDCs, and that PowerStream will first consider pursuing M&A activities with LDCs having less than 20,000 customers, and within a reasonable geographic proximity to Town of Collingwood through the Corporation, prior to pursuing such opportunities through PowerStream.

PowerStream Inc.

161 Cityview Boulevard, Vaughan, ON L4H 0A9 Tel: 905-417-6900 Fax: 905-532-4505 www.powerstream.ca



Yours truly,

A handwritten signature in black ink, appearing to read "D. Nolan".

Dennis Nolan
Executive Vice-President,
Corporate Services and Secretary
PowerStream Inc.

Please confirm your acceptance of the foregoing.

THE CORPORATION OF THE TOWN OF COLLINGWOOD

Per: _____
Name: Sandra Cooper
Title: Mayor

Per: _____
Name: Sara Almas
Title: Clerk



PowerStream Inc.

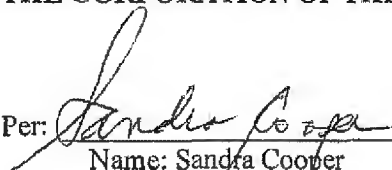


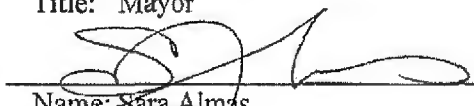
Yours truly,

Dennis Nolan
Executive Vice-President,
Corporate Services and Secretary
PowerStream Inc.

Please confirm your acceptance of the foregoing.

THE CORPORATION OF THE TOWN OF COLLINGWOOD

Per: 
Name: Sandra Cooper
Title: Mayor

Per: 
Name: Sara Almas
Title: Clerk