



NEWS RELEASE

FOR IMMEDIATE RELEASE

January 23, 2012

Collingwood to form strategic partnership with PowerStream

Town of Collingwood Council approves strategic partnership

COLLINGWOOD, ON – Subject to signing a share purchase and shareholders agreement as well securing any required regulatory approvals, the Town of Collingwood and PowerStream will be forming a strategic partnership to further enhance the delivery of electric utility services in the Collingwood area.

In a vote held Monday evening, Council approved selling a 50 percent interest in Collingwood Utility Services Corp., the holding company for Collus Power Corp., Collus Solutions Corp. and Collus Energy Corp., to PowerStream, a community-owned electricity distribution company serving residential and commercial customers in several municipalities located in Simcoe County and York Region. The transaction will enable the Town of Collingwood to realize proceeds of approximately \$14-15 million as a result of the sale of a 50 percent share purchase, re-capitalization and the redemption of a promissory note.

“It is this Council’s goal to provide more efficient and cost-effective services to customers currently being served by Collingwood Utility Services,” explained Collingwood Mayor Sandra Cooper. “Partnering with a highly-respected and innovative Ontario electricity distribution company like PowerStream will help us achieve this goal and it will also help to further build and grow Collus.”

Collingwood Council unanimously supported the strategic partnership proposal following a presentation by Ed Houghton, President and CEO of Collingwood Utility Services. Houghton provided background information on the electricity industry, outlined the steps taken by Collingwood’s Strategic Partnership Task Force to investigate various ownership options and described the process used to select PowerStream as the strategic partner.

The selection of PowerStream followed a comprehensive request for proposal process in which four proponents submitted responses. PowerStream was chosen based on many important and planned considerations including the ability to provide strategic and specialized resources, competitive distribution rates and cost structure, customer experience and satisfaction, community involvement, support for employees and their careers as well as the correct cultural and synergistic fit.

“We commend Collingwood Council and the Board of Directors of Collus Power for how they went about investigating all the possible ownership options and for conducting a selection process which gave full consideration to the key factors that were in the best interests of the residents of Collingwood,” stated Brian Bentz, President and CEO of PowerStream. “We are certain that this strategic partnership will be of mutual benefit to our respective organizations but, more importantly, to the customers we serve.”

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The Town of Collingwood will hold a special public meeting later this year where residents will be able to comment and provide input on how the municipality should use the proceeds from the sale.

About the Town of Collingwood

The Town of Collingwood is located in the heart of Ontario's finest four-season destination area. Easy to reach, Collingwood offers a combination of old time charm and history with the best recreation in Southern Ontario. Live, Work and Play!

About Collus Power

Collus Power is a municipally-owned utility providing reliable electricity to customers in Collingwood, Stayner, Creemore and Thornbury. Its corporate vision is to grow, maximize opportunities and exceed customers' expectations.

About PowerStream

PowerStream is the second largest municipally-owned electricity distribution company in Ontario, providing service to more than 335,000 customers residing or owning a business in communities located immediately north of Toronto and in Central Ontario. The communities served include Alliston, Aurora, Barrie, Beeton, Bradford West Gwillimbury, Markham, Penetanguishene, Richmond Hill, Thornton, Tottenham and Vaughan. PowerStream is jointly owned by the City of Barrie, the City of Vaughan and the Town of Markham.

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