

FOR IMMEDIATE RELEASE

PowerStream Merger Negotiations Continue
Merger Decision Expected By September 2015

(Barrie, ON) On April 16, 2015, the Ontario Government announced that negotiations were underway with respect to a potential three-way merger of PowerStream Holdings Inc., Enersource Corporation, and Horizon Utilities Corporation, with an opportunity to acquire Hydro One Brampton Networks Inc. from the Province to create the second largest local distribution company in Ontario.

“This merger, as with the earlier merger of Barrie Hydro and PowerStream, has the potential to reduce costs to customers and increase returns for taxpayers,” said Mayor Jeff Lehman. “By having a larger entity, we will be able to achieve savings through economies of scale, and those savings will be passed on to the customers. We will also be in a stronger position to take advantage of implementing new technologies that will help us to better serve, and offer more services, to our customers.”

The three PowerStream shareholders, Markham, Vaughan and Barrie (and their holding companies) have partnered to evaluate the proposed merger transaction. Navigant Inc. and BDR North America have been retained to provide independent advice and financial due diligence, and Gowlings LLP has been retained to undertake legal due diligence to support a decision on this important transaction.

Financial and legal due diligence are well underway. This is a very complex transaction, which requires careful consideration and analysis given the many variables, the inherent risks, and opportunities, the number of parties involved, and stakeholder interests.

The matter is anticipated to be considered by General Committee on September 14 and City Council on September 21.

PowerStream Merger Decision Timelines

September 8, 2015:

Barrie Hydro Holdings Inc. will receive and consider a recommendation from the PowerStream Board regarding the proposed merger with Enersource and Horizon and the purchase option for Hydro One Brampton.

September 14, 2015 at 5 p.m.:

Barrie Hydro Holdings Inc. recommendation will be forwarded to its shareholder, the City of Barrie, through General Committee for consideration, and recommendation to City Council. This meeting will be open to the public.

September 21, 2015 at 7 p.m.:

General Committee’s recommendation will be considered by Council. Should an individual be opposed to the recommendation from General Committee, he/she may submit a request to the Clerk to provide a deputation at the meeting regarding his/her opposition. The deputation would be heard by members of City Council prior to any final Council decision on the matter.

-30-

For further information contact:

Eric Fagen
VP, Corporate Communications
eric.fagen@powerstream.ca
905-532-4400

Scott Lamantia
City of Barrie
Senior Communications Advisor
scott.lamantia@barrie.ca
705-739-4220 x4529

BACKGROUND

The proposed merger between Enersource Corporation, Horizon Utilities Corporation, PowerStream Inc., with an opportunity to acquire Hydro One Brampton Networks Inc. from the Province, would serve as a catalyst for Local Distribution Company (LDC) consolidation, as recommended by the Premier's Advisory Council on Government Assets.

Consolidation is intended to deliver efficiencies and economies of scale, while continuing to provide safe, reliable and clean electricity. It should also allow larger, more efficient new companies to use collective resources to deliver a positive impact on distribution rates, and innovative technologies for customers

Unanimous shareholder approval for the transaction is required from PowerStream, Enersource and Horizon.

If the shareholders of all three local distribution companies approve the transaction, the Ontario Energy Board (OEB) will review the merger to ensure there is value for electricity consumers. If approved by the OEB, the merger would be finalized within approximately six months, by March 31, 2016.

About the Local Distribution Companies

PowerStream

PowerStream Holdings Inc. is a municipally owned energy company providing power and related services to more than 375,000 customers primarily residing or owning a business in communities located immediately north of Toronto and in Central Ontario. It is jointly owned by the Cities of Barrie, Markham and Vaughan through their respective holding companies, Barrie Hydro Holdings Inc., Markham Enterprises Corporation and Vaughan Holdings Inc.

Enersource

Enersource Corporation serves over 200,000 residential and commercial customers across Mississauga. It is a diversified energy and technologies company that serves customers through the distribution of electricity and the delivery of services related to the design, operation and maintenance of electrical systems. Ninety per cent of Enersource Corporation is owned by the City of Mississauga, and 10 percent is owned by BPC Energy Corporation (Borealis), which is part of the Ontario Municipal Employees Retirement System (OMERS).

Horizon Utilities

Horizon Utilities Corporation provides electricity and related utility services to over 240,000 customers in Hamilton and St. Catharines. Horizon Utilities is wholly owned by Horizon Holdings Inc., a company jointly owned by the cities of Hamilton and St. Catharines through their holding companies Hamilton Utilities Corporation and St. Catharines Hydro Inc.

Hydro One Brampton

Hydro One Brampton Networks Inc. was acquired by Hydro One from the City of Brampton in 2001. It has more than 150,000 residential, commercial and industrial customers and serves an area of 300 square kilometers. In order to meet the growth of the community and needs of its customers, Hydro One Brampton continues to work with the City of Brampton and other organizations to improve Brampton's infrastructure and distribution system.