

Proposed Merger of PowerStream with three other Electric Utilities

A proposal has been developed to bring together PowerStream, the electric utility which serves residential and business customers in Markham, with three other of Ontario's most successful local electricity distribution companies: Horizon Utilities Corporation, Enersource Corporation and Hydro One Brampton.

The purpose of this new partnership would be to use the utilities' collective resources, which already serve almost a million customers in municipalities located in York Region, Simcoe County, Peel Region, Niagara Region as well as the City of Hamilton, to continue to deliver competitive distribution rates, more efficient services and innovative energy-related technologies.

The new company being considered would only proceed if the various shareholder groups, including the City of Markham, agree that there are benefits for the customers and the communities it will serve.

The plan being considered requires the negotiation of agreements that must be approved by all shareholders and will be subject to regulatory approvals, including the Ontario Energy Board (OEB).

Municipal shareholders of the utilities are expected to vote on the merger in the coming weeks. The OEB will subsequently review the deal.

The proposed new entity would be owned by the municipalities of Markham, Vaughan, Barrie, Mississauga, Hamilton and St. Catharines, as well as OMERS, the pension fund for Ontario's municipal employees. The deal being negotiated also envisions the purchase of the provincially-owned Hydro One Brampton.

PowerStream is a product of several successful mergers and acquisitions that have resulted in efficiency improvements and customer distribution rates that are among the lowest in Ontario. The utility was created in 2004, following the merger of Markham Hydro, Richmond Hill Hydro and Hydro Vaughan. In 2005, it purchased the assets of Aurora Hydro and then merged with Barrie Hydro in 2009. The merger being considered at this time is consistent with the company's growth strategy that benefits customers as a result of savings achieved through economies of scale.