Comparison of Proposals - Financial Considerations

Further clarification required

Key areas of difference / significance

Business Issue	Hydro One	Powerstream	Horizon Utilities	Veridian
Binding / Non-binding	Non-binding	Non-binding	Non-binding	Non-binding
Exclusivity	Yes		90 day offer, extendible	
Shares	Up to 50% of the common shares of Collus Power; would consider lower share % with price adjustment	50% of shares of Collus Power	50% of shares of Collus Power (would also be interested in acquiring a share interest in Collus Solutions and possibly Collus Utility Services)	50% of shares of Collus Power
Share Purchase Price	\$13.6 million for a 50% share interest	\$7.3 million for a 50% share interest	\$6.5 million to \$8.5 million Assume \$7.5 million for analysis	\$6.5 million for a 50% share interest (\$250K holdback)
Unassumed Liabilities	No unassumed liabilities (confirmed)	No unassumed liabilities (confirmed)	No unassumed liabilities (confirm)	No unassumed liabilities (confirm)
Net Share Purchase Price	\$9.488 million for shares	\$6.2 million for shares	\$7.5 million for shares	\$6.5 million for shares
Recapitalization	Recapitalization to 60% / 40% debt to equity Borrow \$8.1 million of new debt \$3.2 million dividend to Town \$3.2 million dividend to Hydro One Dividend reduced by \$900K (\$450k each) to equalize \$1.71 million to repay shareholder loan	Recapitalization to 60% / 40% debt to equity Borrow \$7.2 million of new debt \$5.5 million pre-closing dividend to Town \$0 million dividend to Powerstream \$1.71 million to repay shareholder loan	Recapitalization to 60% / 40% debt to equity Assumed \$5.7 million of new debt \$2.0 million dividend to Town \$2.0 million dividend to Horizon Utilities \$1.71 million to repay shareholder loan	Recapitalization to 60% / 40% debt to equity Borrow \$5.7 million of new debt \$2.0 million dividend to Town \$2.0 million dividend to Veridian \$1.71 million to repay shareholder loan
Existing Shareholder Loan	\$1.71 million payout	\$1.71 million payout, option of the Town	\$1.71 million payout	\$1.71 million payout
Total cash consideration to the Town of Collingwood	\$15.545 million in cash (\$13.6 million + \$3.2 million + \$1.71 million less \$1.412 million reg liabilities less \$1.1 million rate base shortfall less \$450K lower dividend)	\$13.410 million in cash (\$7.3 million + \$5.5 million + \$1.71 million less \$1.10 million closing working capital adjustment)	\$11.21 million in cash (\$7.5 million + \$2.0 million + \$1.71 million less \$0 million of unassumed liabilities) High end of range adds up to \$1.0 million	\$10.21 million in cash (\$6.5 million + \$2.0 million + \$1.71 million less \$0 million of unassumed liabilities)
NBV of 50% share interest (Higher is better, less debt)	\$2,851,500.00	\$2,851,500.00	\$3,601,500.00	\$3,601,500.00
Closing Date	Upon OEB approval	Upon OEB approval MADD application required	Upon OEB approval MADD application required	Proposed closing date of April 2, 2012 Subject to OEB approval and MADD
Future Dividend Policy	Pay dividends in profitable years Board of Directors to make decision based on cash needs etc.	Dividend policy to be determined based on policies of other LDCs Expect to pay dividends in 2013 forward Expect to pay out 50% of future net income, subject to sufficient net working capital, capex needs etc. Estimate of \$400K to \$500 (100% basis) of dividends paid in 2013	Adopt Horizon dividend policy Dividends up to 60% of annual net income Board of Director decision based on financial prudence	Dividend policy similar to that of Veridian Board approval of dividends based on various factors and ability to pay a dividend Need to create a Return on Equity Policy to optimize shareholder returns
Governance	Board of Directors comprised of 20% Collingwood 20% Hydro One 60% Independents	Board of Directors comprised of 50% Collingwood 50% Powerstream Majority are independents Two co-chairs	Board of Directors comprised of 50% Collingwood 50% Powerstream Majority are independents 4 or 6 directors	Board of directors comprised of 2 members appointed by each of the Town and Veridian These directors would be independent
Transfer Tax	Intention is for no transfer tax to be triggered on the transaction			Intention is for no transfer tax to be triggered on the transaction

Color Advisorment Color	Employee Issues		Presumably no change to Collus employees	Presumably no change to Collus employees	Presumably no change to Collus employees	Presumably no change to Collus employees
Committed Comm			Collus Solutions employees ???	Collus Solutions employees ???	Acquire Collus Solutions employees	Collus Solutions employees ???
Consideration procession Consideration proce			· ·			Closing NBV not less than Dec 31, 2010 NBV
March Compliance March Compliance March Compliance Descriptions Descrip	Closing Adjustments		Some closing adjustments TBD	balance sheet		
De diffeate de Sammidiane de S	Legal conditions precedent					
Recursion Recu		•	With no major change in FS			Cariata ana mandana diliana na
Some Purchase Agreement Regulard - Lother regularded Regularded - Lother regularded Regularded - Regul		_	Required - to be negotiated			
Contenting ligition		-	•		• •	
Agronals and in the calcum (and the percentage) Agronals (and the		-	•	Customary items		
Regulatory (Labilities Regulatory (Labilities Regulatory (Labilities Regulatory (Labilities Regulatory (Labilities Regulatory (Labilities Rate Dates requirement Section (Labilities Rate Dates Rate Dates requirement Section (Labilities Rate Dates R				Town approval Powerstream Roard	Town approval Harizon Roard	Town approval Varidian Poard
Regulatory Inching Inching Regulatory Inching Inchi				Town approval, Fowerstream Board	томп арргочаг, ногтдоп воаги	Town approvar, verturan board
Regulatory Islaitinus Rate base requirement Working capital Person OFDE flaitinus Assert Working capital Person OFDE flaitinus Water Islaitinus		Normal operations				No material change in business
Rate berse requirement Working optial Persisted OPTIM Exhibition minimum at Closing Silent Working optial Persisted OPTIM Exhibition Share Persisted OPTIM Exhibition Share Persisted OPTIM Exhibition Share Persisted OPTIM Exhibition Share Persisted OPTIM Share Persisted OPTIM Persisted	Financial conditions precedent					
Working capital Select Personal OPER Backbillion Aperts or Migistrion More re- ordingations More re- ordinal re- o	•	•				
Pension / OPEs liabilities Asset Concumbered at Closing No Marce obligations No M				Have deemed working capital ratio at closing	Appropriate level of WC / cach at closing	
Assets Mean Mean Mean Mean Mean Mean Mean Mean			Silent	have deemed working capital ratio at closing	Appropriate level of WC / cash at closing	
Future rates of Colus Feature		•	Unencumbered at Closing			
Respirates as low as possible No harmonization of rates/separate company 2013 rate filling at maximum allowable return on equity Participation in future growth Billiet on approach to participating in Inture LCE acquisitions Billiet on approach to participating in Inture LCE acquisitions Bight of first refusal to hydro One Lugidity rights to be regulated and included in Shareholders Agreement Right of first refusal to hydro One Lugidity rights to be regulated and included in Shareholders Agreement Right of first refusal to both Particis Shots gan clause begins two years a firer douring Shots gan clause begins two years a firer douring Shot gan clause begins two		•	-			
No harmonization of rates/separate company 2021 are filting at maximum allowable return on equity Participation in future growth Slent on approach to participating in future LDC acquisitions Slent on approach to participating in future LDC acquisitions Exist strategy Bight of first refusal to hydro One liculation of intervence of the participation of the part		Water liabilities	Not accepted			
2013 rate filling at maximum allowable return on equity shareholders returns a sparate company shareholders returns on equity shareholders returns on equity shareholders as company shareholders as c	Future rates of Collus		Keep rates as low as possible	Keep rates as low as possible	Keep rates as low as possible	Keep rates as low as possible
Farticipation in Nature growth Participation in Nature growth Silent on approach to participating in future LDC acquisitions Silent on approach to participating in future LDC acquisitions Silent on approach to participating in future LDC acquisitions Exit strategy Right of first refusal to Hydro One Included in Shareholders Agreement Right of first refusal to both Parties Shotque begins two years after coing Town of Collingwance will have right to put a here to Observations as initial transaction Shared services / relationships Can be included iff appropriate Can be included iff appropriate Each party pays own Cher matters Community Support Yes - various finandal support Town of Collingwance will refuse the special support Town of Collingwance will prevent to be negotiated on same basis on initial transaction with merger after closing To be determined Seed to consider management services to Water / Wastewater utility if nousine Collus Solutions (seetable from water Collus Solutions Transaction Costs Each party pays own Teves of Collingwance Community Func - \$25,000 Town of Collingwance Community Func - \$25,000 Town of Collingwance Community Func - \$25,000 Town of Collingwance will refuse the consider management services to with merger after closing Terms action with merger after closing Terms action costs Terms action finandal support Town of Collingwance Community Func - \$25,000					i e e e e e e e e e e e e e e e e e e e	
Participation in future growth Assist in organic growth of Collus Silent on approach to participating in future LDC acquisitions Assist in organic growth of Collus Silent on approach to participating in future LDC acquisitions Assist in organic growth of Collus Silent on approach to participating in future LDC acquisitions Assist in organic growth of Collus Silent on approach to participating in future LDC acquisitions Assist in organic growth of Collus Silent on approach to participating in future LDC acquisitions Assist in organic growth of Collus Silent on approach to participating in future LDC acquisitions Assist in organic growth of Collus Silent on approach to participating in future LDC acquisitions Interest organic growth of Collus Silent on approach to participating in future LDC acquisitions Bight of first refusal to both Parties Other inquidity clauses to be negotiated Other inquidity clauses to be negotia				separate company	•	• · · • • • • • • • • • • • • • • • • •
Assist in organic growth of Collus Silent on approach to participating in future UC acquisitions Exit strategy Right of first refusal to Expression to Exp			return on equity		· ·	The Harmonization of Fates, separate company
Silent on approach to participating in future LDC acquisitions Right of first refusal to Hydro One Liquidity rights to be negotiated and included in Shareholders Agreement Right of first refusal to both Parties Other liquidity clauses to be negotiated and included in Shareholders Agreement Right of first refusal to both Parties Other liquidity clauses to be negotiated Shared services / relationships To be determined Collus Solutions To be determined Can be included if appropriate Transaction Costs Each party pays own Town of Collingwood Community Fund - 525,0000					Collus will be a separate company	
future LDC acquisitions Right of first refusal to Hydro One Included in Shareholders Agreement Right of first refusal to Hydro One Right of first refusal to both Parties Shot-gun clause begins two years after closing Town of Colling-Now of Williams are to Powerstream at FMV calculated on same basis as intitle transaction To be determined Need to consider management services to Water / Wastewater utility if acquire Collus Solutions; disentangle from water Collus Solutions Transaction Costs Can be included if appropriate Each party pays own Town of Colling-wood Community Fund - \$25,0000 Town of Colling-Wood Community Fund - \$25,0000 Town of Colling-Wood Community Fund - \$25,0000	Participation in future growth		Assist in organic growth of Collus	Assist in organic growth of Collus	Silent	Silent
Exit strategy Right of first refusal to Hydro One Uquidity rights to be negotiated and included in Shareholders Agreement Right of first refusal to both Parties Other liquidity clauses to be negotiated and included in Shareholders Agreement Right of first refusal to both Parties Shot-gun clause begins two years after closing Town of Collingwood will have right to put shares to Powerstream at FMV calculated on same basis as initial transaction To be determined Service Level Agreement to be negotiated To be determined Need to consider management services to Water / Wastewater utility if acquire Collus Solutions Can be included if appropriate Transaction Costs Each party pays own Yes - various financial support Town of Collingwood Community Fund - \$25,000						
Included in Shareholders Agreement Right of first refusal to both Parties Shot-gun clause begins two years after closing Town of Collingwood will have right to put shares to Powerstream at FMV calculated on same basis as initial transaction To be determined To be determined To be determined Service Level Agreement to be negotiated Collus Solutions Can be included if appropriate Tansaction Costs Each party pays own Town of Collingwood Community Fund - \$25,000 Town of Collingwood Community Fund - \$25,000 Town of Collingwood Community Fund - \$25,000 To be determined To be determined To be determined To be determined To be determined To be determined To be determined To be determined To be determined To be determined To be determined To be determined To be determined Service Level Agreement to be negotiated Understandant to be negotiated To be determined To be determined To be determined Service Level Agreement to be negotiated Understandant transaction Understandant transaction Understandant transaction Understandant Underst			future LDC acquisitions	future LDC acquisitions		
Right of first refusal to both Parties Shot-gun clause begins two years after closing Town of Collingwood will have right to put shares to Powerstream at FMV calculated on same basis as initial transaction To be determined To be determined Service Level Agreement to be negotiated Collus Solutions Can be included if appropriate Each party pays own Tensaction Costs Cher matters Community Support Yes - various financial support Right of first refusal to both Parties Shot-gun clause begins two years after closing Town of Collingwood Community Fund - 525,000 Right of first refusal to both Parties Shot quase begins two years after closing Town of Collingwood Community Fund - 525,000 Right of first refusal to both Parties Shot quase begins two years after closing Town of Collingwood Community Fund - 525,000 Right of first refusal to both Parties Also include a shot-gun provision and a piggs-back provision apiggs-back provision	Exit strategy		Right of first refusal to Hydro One	Liquidity rights to be negotiated and	Right of first refusal to both Parties	Liquidity rights to be negotiated and
Shared services / relationships To be determined Service Level Agreement to be negotiated Solutions Callus Solutions Can be included if appropriate Each party pays own Other matters Community Support Yes - various financial support Town of Collingwood Community Fund - \$25,000 Shot-gun clause begins two years after closing Town of Collingwood Community Fund - \$25,000 Shot-gun clause begins two years after closing Town of Collingwood Community Fund - \$25,000 Also include a shot-gun provision and a piggy-back provision To be determined To be determined Need to consider management services to Water / Wastewater utility if acquire Collus Solutions; disentangle from water Udeally include Collus Solutions in the transaction with merger after closing Transaction Costs Transaction Costs Town of Collingwood Community Fund - \$25,000 Town of Collingwood Community Fund - \$25,000					Other liquidity clauses to be negotiated	_
Town of Collingwood will have right to put shares to Powerstream at FMV calculated on same basis as initial transaction To be determined Service Level Agreement to be negotiated Collus Solutions Can be included if appropriate Each party pays own Condumnity Support Tennaction Costs Tennaction Costs Tennaction Costs Tennaction Costs To be determined Need to consider management services to Water / Wastewater utility if acquire Collus Solutions; disentangle from water Leadly include Collus Solutions in the transaction with merger after dosing Tennaction Costs Tennaction Costs Tennaction Costs Tennaction Costs Tennaction Costs To be determined Need to consider management services to Water / Wastewater utility if acquire Collus Solutions in the transaction with merger after dosing Tennaction Costs				1 -		
to Powerstream at FMV calculated on same basis as initial transaction To be determined To be determined Service Level Agreement to be negotiated Collus Solutions Can be included if appropriate Each party pays own Cher matters Community Support To be determined To be determined Need to consider management services to Water / Wastewater utility if acquire Collus Solutions; disentangle from water (deally include Collus Solutions in the transaction with merger after closing Transaction Costs To be determined To be determined Need to consider management services to Water / Wastewater utility if acquire Collus Solutions; disentangle from water (deally include Collus Solutions in the transaction with merger after closing Transaction Costs Transaction Costs Town of Collingwood Community Fund - \$25,000						
Shared services / relationships To be determined Service Level Agreement to be negotiated Collus Solutions Can be included if appropriate Transaction Costs Each party pays own Other matters Community Support Yes - various financial support To be determined Need to consider management services to Water / Wastewater utility if acquire Collus Solutions; disentangle from water Ideally include Collus Solutions in the transaction with merger after closing To be determined Need to consider management services to Water / Wastewater utility if acquire Collus Solutions; disentangle from water Ideally include Collus Solutions in the transaction with merger after closing Transaction Costs Transaction Costs Town of Collingwood Community Fund - \$25,000						
Service Level Agreement to be negotiated Need to consider management services to Water / Wastewater utility if acquire Collus Solutions; disentangle from water Collus Solutions				as initial transaction		
Collus Solutions Can be included if appropriate Can be party pays own Cther matters Community Support Town of Collingwood Community Fund - \$25,000 to Water / Wastewater utility if acquire Collus Solutions; disentangle from water lideally include Collus Solutions in the transaction with merger after closing Town of Collingwood Community Fund - \$25,000	Shared services / relationships		To be determined	To be determined	To be determined	To be determined
Collus Solutions Can be included if appropriate Transaction Costs Cher matters Community Support Consumption Solutions Collus Solutions; disentangle from water Ideally include Collus Solutions in the transaction with merger after closing Collus Solutions in the transaction with merger after closing Transaction Costs Community Support Town of Collingwood Community Fund - \$25,000				Service Level Agreement to be negotiated		
Collus Solutions Can be included if appropriate Ideally include Collus Solutions in the transaction with merger after closing Transaction Costs Each party pays own Other matters Community Support Yes - various financial support Town of Collingwood Community Fund - \$25,000						
Transaction Costs Community Support Teach party pays own Town of Collingwood Community Fund - \$25,000 transaction with merger after closing transaction with merger after closing transaction with merger after closing Town of Collingwood Community Fund - \$25,000					Solido Solidasiono, disentangie Hom water	
Transaction Costs Other matters Community Support Yes - various financial support Town of Collingwood Community Fund - \$25,000	Collus Solutions		Can be included if appropriate			
Other matters Community Support Yes - various financial support Town of Collingwood Community Fund - \$25,000					transaction with merger after closing	
Community Support Yes - various financial support Town of Collingwood Community Fund - \$25,000	Transaction Costs		Each party pays own			
Community Support Yes - various financial support Town of Collingwood Community Fund - \$25,000	Other matters					
20 jobs transferred to Collingwood			Yes - various financial support	Town of Collingwood Community Fund - \$25,000		
			20 jobs transferred to Collingwood			1

Questions	\$2.7 million debt is outstanding	Excluded liabilities	Clarify excluded liabilities
	Rate base of \$17.9 million	OPEB liability	Clarify debt recapitalization
	Confirm \$13.6 million	Assume regulatory liability + nil	Range of values
	Closing date adjustments	Determine deemed NWC at closing	Collus Solutions in or out
	Regulatory liabilities		
	Excluded liabilities		
	Exempt from transfer taxes		

YTD FS Year end balance sheet Projected BS position - Dec 31, 2011

Rate base

Need some lines in the sand for price adjustments
NWC levels - changing
Regulatory liability positions
Rate base issues
IFRS matters

Collus Power Corp.
Proforma Balance Sheet as at December 31, 2011
Non-IFRS Basis
(\$ 000's)

ASSETS

Current Assets

Cash \$

Other current assets

Property, plant and equipment Goodwill Intangible - software Future taxes recoverable

LIABILITIES AND SHAREHOLDER'S EQUITY Current Liabilities

Accounts payable and accruals Customer deposits, current Income taxes payable

Employee future benefit costs
Long-term net regulatory liabilities
New financing
Reduction to new financing
Note payable to Town of Collingwood
Long-term debt - Ontario Infrastructure

Shareholder's Equity \$

Town's net investment

Net Book Value as at	Net Book Value as at	FMV
31-Dec	31-Dec	Increase
2010	2011	(Decrease)
(Actual)	(Projected)	(Decrease)
(15552)	(
2,923	2,550	-
8,528	8,029	-
11,451	10,579	-
12,764	13,007	-
277	277	-
278	278	-
157	157	
24,927	24,298	-
7,384	6,634	-
431	331	-
	-	-
7,815	6,965	-
308	308	
1,412	1,412	_
-	-	_
1,710	1,710	-
2,900	2,700	-
14,145	13,095	_
10,782	11,203	-
	1,710	
	12,913	

Shares (50%)

Less: Regulatory liabilities = \$0

Less: Estimated shortfall from \$17.9 m rate base

Less: Unassumed liabilities

Post-closing dividend Reduction to post-closing dividend Note payable Cash proceeds Remaining shares (50%)

Total proceeds

(*) Assumes FMV equals (closing NBV x $1.50 \times 50\%$ interest).

Hydro One Proformas

Unassumed Liabilities	Recapitalization	Revised Balance Sheet	
-	(10)	2,540 8,029	
-	(10)	10,569	
	-	13,007 277	
	-	278	
		157	
	(10)	24,288	
	-	6,634	
	-	331	
		6,965	17,046
		-,	,
	-	308	
-	- 0.400	1,412	
	8,100	7,200	
	(900) (1,710)	-	
-	(1,/10)	2,700	
	5,490	18,585	
_	(5,500)	5,703	
	· · · · · · · · · · · · · · · · · · ·		
Debt	9,900	63.4%	
Equity	5,703	36.6%	
	15,603	100.0%	
	NBV	Paid to Town	
	-	13,600	
		(1,412)	
	_	(1,100)	
	5,602	11,088	
	3,200	3,200	
	(450)	(450)	
	1,710	1,710	
	10,062	15,548 4,277	(*\
	2,852	4,277	(*)
	12,913	19,825	

Could assume same debt level as PowerStream (900K)

Collus Power Corp. Proforma Balance Sheet as at December 31, 2011 Non-IFRS Basis (\$ 000's)

ASSETS Current Assets		V 	Net Book Yalue as at 31-Dec 2010 (Actual)
Current Assets	Cash	\$	2,923
	Other current assets	Ψ.	8,528
			11,451
Property, plant and equipment			12,764
Goodwill			277
Intangible - software			278
Future taxes recoverable			157
			24,927
LIABILITIES AND SHAREHOLDER'S EQUITY Current Liabilities			
	Accounts payable and accruals		7,384
	Customer deposits, current		431
	Income taxes payable		
			7,815
Employee future benefit costs			308
Long-term net regulatory liabilities			1,412
New financing			-
Note payable to Town of Collingwood			1,710
Long-term debt - Ontario Infrastructure			2,900
			14,145
Shareholder's Equity		\$	10,782

PowerStream Proformas

Net Book Value as at 31-Dec 2011		FMV Increase (Decrease)		Unassumed Liabilities	R	ecapitalization	Revised Balance Sheet	_
(Projected)								
	3 550					(10)	2.540	
	2,550 8,029	-			-	(10)	2,540 8,029	
	10,579					(10)	10,569	_
	10,373					(10)	10,505	
	13,007	-				_	13,007	
	277	-				-	277	
	278	-				-	278	
	157	_				_	157	_
	24,298	-			-	(10)	24,288	-
	6,634	-				-	6,634	
	331	-				-	331	
	-	-				-	-	-
	6,965	-			-	-	6,965	17,046
	308	_				-	308	
	1,412	_				<u>-</u>	1,412	
	-,	_				7,200	7,200	
	1,710	-				(1,710)	-	
	2,700	-			-		2,700	_
	13,095	-			-	5,490	18,585	
						(= ===)		
	11,203				-	(5,500)	5,703	-
	1,710 12,913	-						
	12,513	_	Debt			9,900	63.4%	
			Equity			5,703	36.6%	
			,,			15,603	100.0%	-
								-
					-	NBV	Paid to Town	_
Shares (50%)							7,300	
Less: Closing NWC adjustment							(1,100)	
Less: Unassumed liabilities						2 052	6 200	-
Pre-closing dividend						2,852 5,500	6,200 5,500	
Note payable						1,710	1,710	
Cash proceeds						10,062	13,410	-
Remaining shares (50%)						2,852	4,277	(*)
- , ,							, -	_ ` ′
Total proceeds						12,913	17,687	_

^(*) Assumes FMV equals (closing NBV x $1.50 \times 50\%$ interest).

Premium to NBV

3,349

4,774

Collus Power Corp. Proforma Balance Sheet as at December 31, 2011 Non-IFRS Basis (\$ 000's)

Town's net investment

		Net Book
		Value as at
		31-Dec
		2010
ASSETS		(Actual)
Current Assets		
	Cash	\$ 2,923
	Other current assets	8,528_
		11,451
Property, plant and equipment		12,764
Goodwill		277
Intangible - software		278
Future taxes recoverable		157
		24,927
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities		
	Accounts payable and accruals	7,384
	Customer deposits, current	431
	Income taxes payable	
		7,815
Employee future benefit costs		308
Long-term net regulatory liabilities		1,412
New financing		-
Note payable to Town of Collingwood		1,710
Long-term debt - Ontario Infrastructure		2,900
		14,145
Shareholder's Equity		\$10,782_

Horizon Proformas

Net Book Value as at 31-Dec 2011		FMV Increase (Decrease)	Unassumed Liabilities		Recapitalization	Revised Balance Sheet	_
(Projected)							
	2,550 8,029	- -		-	(10)	2,540 8,029	
	10,579	-		-	(10)	10,569	-
	13,007	-			-	13,007	
	277	-			-	277	
	278 157	-			-	278 157	
						T J /	
	24,298	-		-	(10)	24,288	
	······································				······		-
	6,634	-			-	6,634	
	331	-			-	331	
	-				-	_	_
	6,965	-		-	-	6,965	17,046
	308			_	_	308	
	1,412	-		-	-	1,412	
	-	-			5,700	5,700	
	1,710	-		-	(1,710)	-	
	2,700	-		-	-	2,700	
	13,095	-		-	3,990	17,085	-
	11,203	-		_	(4,000)	7,203	
	1,710						
	12,913						
			ebt		8,400	53.8%	
		Ec	quity	_	7,203	46.2%	
				****	15,603	100.0%	
					NBV	Paid to Town	
Shares (50%)				-	-		- (Range)
Less: Unassumed liabilities					-	-	
					5,602	7,500	
Post-closing dividend					2,000		(Assumed)
Note payable				_	1,710	1,710	_
Cash proceeds					9,312	11,210	
Remaining shares (50%)				_	3,602	5,402	- ^(↑)
Total proceeds					12,913	16,612	-

^(*) Assumes FMV equals (closing NBV x $1.50 \times 50\%$ interest).

Collus Power Corp. Proforma Balance Sheet as at December 31, 2011 Non-IFRS Basis (\$ 000's)

Town's net investment

		Net Book
		Value as at
		31-Dec
		2010
ASSETS		(Actual)
Current Assets		
	Cash	\$ 2,923
	Other current assets	8,528_
		11,451
Property, plant and equipment		12,764
Goodwill		277
Intangible - software		278
Future taxes recoverable		157
		24,927
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities		
	Accounts payable and accruals	7,384
	Customer deposits, current	431
	Income taxes payable	
		7,815
Employee future benefit costs		308
Long-term net regulatory liabilities		1,412
New financing		-
Note payable to Town of Collingwood		1,710
Long-term debt - Ontario Infrastructure		2,900
		14,145
Shareholder's Equity		\$10,782_

Veridian Proformas

Net Book Value as at 31-Dec 2011		FMV Increase (Decrease)		Jnassumed Liabilities		Recapitalization	Revised Balance Sheet	
(Projected)								
	2,550 3,029	-			-	(10)	2,540 8,029	
	0,579	-			-	(10)	10,569	•
13	3,007	-				-	13,007	
	277	-				-	277	
	278	-				-	278	
	157						157	
24	4,298	-			-	(10)	24,288	
ę.	5,634	_				_	6,634	
	331	-				-	331	
	-	-				-	-	
6	5,965	-			-	-	6,965	17,046
	308	-				-	308	
1	1,412	-			-	-	1,412	
	-	-				5,700	5,700	
	1,710 2,700	-			_	(1,710)	2,700	
	3,095	-				3,990	17,085	
	-,					2,223	_,,,,,,	
	1,203				-	(4,000)	7,203	
	1,710							
1	2,913		Debt			8,400	53.8%	
			Equity			7,203	46.2%	
			,,		-	15,603	100.0%	
Channe (F00/)					-		Paid to Town	
Shares (50%) Less: Unassumed liabilities						-	6,500	
Less. Ondisamed hashines					-	5,602	6,500	•
Post-closing dividend						2,000	2,000	
Note payable					_	1,710	1,710	
Cash proceeds						9,312	10,210	(4)
Remaining shares (50%)					-	3,602	5,402	. (*)
Total proceeds					-	12,913	15,612	

^(*) Assumes FMV equals (closing NBV \times 1.50 \times 50% interest).

KPMG	14.1	16.3	15.2
Debt	1.71	1.71	1.71
	15.81	18.01	16.91

	Cash	Shares	Total
Hydro One	15,548	4,277	19,825
PowerStream	13,410	4,277	17,687
Horizon	11,210	5,402	16,612
Veridian	10,210	5,402	15,612