



186 Hurontario Street, Suite 203
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MEMO

To: Brian Bentz, John Glicksman, Mark Henderson and Dennis Nolan

From: Paul Bonwick

Subject: LDC Presentations

CC: Eric Fagen

Please review the following points of interest as they relate to presentations to date as well as profiled points of interest.

Hydro One – Mike Muller

- Ontario Hydro clearly articulated the regional value Collus represents to them. They offered rational that Collingwood could be a regional hub recognizing that some of the territories surrounding Collingwood are presently serviced by Hydro One and that their model is one that the Province would likely adopt.
- It was made clear that all existing staff would be provided an opportunity with Hydro with the option for senior staff to negotiate an early retirement.
- The platform of their presentation was generally speaking predicated on straight purchase. "Model would help to solidify Hydro One's position in the Region".
- While the Presenter demonstrated integrity and in-depth knowledge of the industry, trends and more particularly the South Georgian Bay Regions the assessment committee was not enamored with the concept or direction Hydro One presented.

Veridian – C.E.O., E.V.P & C.F.O., Mayor Belleville, Deputy Mayor Pickering

- Veridian made a very strong and positive impression on the assessment committee. Once past their introduction of attendees they focused on the following;



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- Shared culture and provided value to their respective communities they both serve beyond financial. Items identified that resonated well with committee were as follows.
 1. Economic Development – Focus on working with Industrial Sector to ensure stable base which is good for LDC, Community and Residents.
 2. Contribution Fund established at a rate of two dollars per customer for discretionary gifting on behalf of Mayor & Council.
 3. Collingwood would remain a significant regional entity with opportunity. Partnership as part of their existing structure was the theme under which the other benefits were identified.

- There was a significant emphasis on their innovative energy solutions including their solar initiatives and community profiling. Referenced their focus on electric vehicles as another example of sustainable energy solutions approach.

- All Collus employees will be offered the opportunity to join the Veridian. Employees are a priority and will remain so! Top 75 Employers GTA. “Inspiring work environment”. “Transition should be seamless with identical unions”. Integrated benefits will be included.

- Emphasis placed on the community events and charities Veridian has and continues to support. (Hospital MRI)

- Brief presentation on existing financial situation with special emphasis on dividends and interest paid to shareholders since inception. (\$80 mill+). Specific examples provided demonstrating long term benefit for Collingwood in the relationship. “Veridian is constantly in the Top 10”!
 Return on equity was an integral part of this section. It was clearly demonstrated that the municipality would receive a much higher return than they are presently receiving under Partnership proposal. Veridian is ranked 10th (10.51%), Powerstream 18th (9.23%) and Collus 62nd (3.7%).
 Rates and Harmonization scale used was based on 800kwh monthly bill. Several examples were provided including Powerstream, Enersource, Horizon, Peterborough, Powerstream Barrie and Veridian.
 Veridian has same billing system as Collus with the potential for enhanced synergies.



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- Governance Structure –Description provided of various committees as well as Board Structure...every Shareholder has a seat. Composition based on percentage of share. Non shareholders have an advisory committee that meets with Executive.
- Partnership Opportunities include: Acquisition. Merger, Hybrid (some share and some dollars), explore service business for water. Provides comparable size to Belleville. Local presence for some employees, number would depend on structure of partnership and synergies.
- Growth – Veridian is expansion view regionally or on satellite basis. Collingwood viewed as a hub. Many commonalities as we related to agri-business, manufacturing, transit needs. Understanding our needs and ability to work collaboratively.
- Future – Waste heat opportunity being explored, constant community energy planning underway, making area more attractive for economic, development, continued efforts to work with provincial government.