



ONTARIO ENERGY BOARD

BOARD STAFF INTERROGATORIES

Application for Leave to Acquire Shares of Collingwood Utility Services Corp.

**The Corporation of the Town of Collingwood and
PowerStream Inc.**

EB-2012-0056

May 28, 2012

The Application

On March 9, 2012, the Corporation of the Town of Collingwood and Collingwood Utility Services Corporation (respectively referred to as “the Town”, and “Holdco”) filed an application with the Board under section 86 (2)(b) of the Act, seeking a Board order granting approval for the Town to sell, and for a licensed distributor PowerStream Inc. (“PowerStream”) to purchase a 50% interest in Holdco (the “Proposed Transaction”).

The Town is the sole owner of Holdco, and Holdco is the owner of COLLUS Power Corp., a licensed electricity distributor, among other entities. PowerStream, as a generator and co-applicant in this matter, also notified the Board of its intent to acquire an interest in a distribution system through the purchase of Holdco, as contemplated by section 81 of the Act.

Board Staff Interrogatories

- 1) Please provide greater detail as to the reasons why the Proposed Transaction meets the Board’s no harm test.
- 2) Is an acquisition premium being paid in the purchase price of the proposed transaction? If so, please advise how it will be treated for regulatory purposes.
- 3) Page 2 of the covering letter to the application states that: “COLLUS Power will have access to PowerStream’s expertise and financial resources.” Please provide greater detail as to the expertise and the type of financial resources Collus Power will have access to.
- 4) With reference to part 1.7.1 of the application, please explain in greater detail the expected efficiencies that will be realized through coordination of certain activities, such as procurement. Please include a list of the expected activities and how these expected efficiencies may be realized.

- 5) With regard to the Board's review under section 82 of the Act for PowerStream's Notice of Proposal under section 81 of the Act, attach a short description of the impact, if any, of the proposed transaction on competition and the development and maintenance of the competitive generation market. If there will be no impact on competition, please state the reasons. Cite specifically the impacts on customer choice regarding generation, energy wholesalers, and energy retailers.
- 6) Provide confirmation that the proposed transaction will have no impact on open access by generators to the distribution systems owned and operated by the parties or their affiliates. If open access will be affected explain how and why.
- 7) Please provide any supplementary agreements entered into between the two parties in the Proposed Transaction that have implications for the management and control of Holdco and its subsidiaries.
- 8) Please provide greater detail on the Board of Directors dispute resolution process in the management of Holdco should the Proposed Transaction be approved.
- 9) Section 71 (1) of the Act states:
Restriction on business activity
71. (1) Subject to subsection 70 (9) and subsection (2) of this section, a transmitter or distributor shall not, except through one or more affiliates carry on any business activity other than transmitting or distributing electricity. 2004, c.23, Sched. B, s. 12.

In the Proposed Transaction, PowerStream seeks to acquire an interest in a holding company that owns COLLUS Solutions Corp. and COLLUS Energy Corp both corporations of which are not distributors. Given the restrictions on business activity for a distributor under section 71(1) of the Act and the fact that Holdco owns a distributor as well as other entities, please confirm how PowerStream will be compliant with this section of the Act.