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June 20, 2012

BY COURIER, EMAIL AND RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: The Corporation of the Town of Collingwood, Collingwood Utilities
Services Corporation and PowerStream Inc.
Reply Submissions
Board File No.: EB-2012-0056**

Pursuant to the Board's Procedural Order No. 1 dated May 16th, 2012, we enclose two (2) hard copies of our Reply Submissions in the above-noted proceeding.

The attached Reply Submissions were filed on RESS today.

Yours truly,

AIRD & BERLIS LLP



Scott A. Stoll
Encl.

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IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B (the "Act");

AND IN THE MATTER OF an application under section 86 of the Act for an order of the Board granting leave to the Corporation of the Town of Collingwood to sell an interest in a corporation that owns a distributor.

AND IN THE MATTER OF a Notice of Proposal under section 81 of the Act for an order of the Board granting leave to PowerStream Inc., as a generator, to purchase an interest in a corporation that owns a distributor.

REPLY SUBMISSIONS OF TOWN OF COLLINGWOOD, COLLINGWOOD UTILITIES SERVICES CORPORATION AND POWERSTREAM INC.

Overview

1. On March 9, 2012, the Corporation of the Town of Collingwood and Collingwood Utility Services Corporation (respectively referred to as the "**Town**", and "**Holdco**" or the "**Applicants**") filed an application with the Board, seeking a Board order granting approval for the Town to sell, and for PowerStream Inc. ("**PowerStream**"), the Co-Applicant, to purchase a 50% interest in Holdco.
2. Notice of the application was published and served as directed by the Board. No person intervened. Veridian Connections Inc. requested, and was granted observer status.

Board Staff participated, and in submissions dated June 18, 2012 indicated it had no outstanding issues with the proposed transaction.

3. Holdco owns 100% of the shares of Collus Power Corp., a licensed electricity distributor ("**Collus Power**"), Collus Solutions Corp. ("**Solutions**") and Collus Energy Corp. ("**Energy**").
4. In the fall of 2011 the Town embarked upon a public process to seek a partner for its utilities activities. As a result of that process, the Town selected PowerStream, a licensed electricity distributor, as its prospective partner. The Town, Holdco and PowerStream have negotiated documents, which were provided in the Application and await Board approval of this Application in order to be able to close the transaction.

The Proposed Transaction

5. The following points describe the transaction and the impact of the transaction on ratepayers:
 - (i) The Town is intending to sell a 50% non-controlling interest in Holdco to PowerStream through a sale of common shares in Holdco.
 - (ii) The Town and PowerStream will each have the ability to elect 50% of the Board of Directors of Holdco and neither party will have a controlling interest.
 - (iii) Each utility will maintain its existing distribution license.
 - (iv) There will be no rate increase for the customers of Collus Power resulting from the transaction. Also, there is no intention to harmonize rates.
 - (v) Collus Power will have access to PowerStream's leadership team, expertise and financial resources which will provide benefits to the Collus

Power ratepayers. As mentioned in section 1.9.4 of the Application, the Strategic Partnership will assist COLLUS Power in meeting the additional complexities of the industry including regulatory and rate proceedings, issues with the need for financing capital additions, and embracing the changing technological needs of the distribution sector. (Response Board Staff I.R. #3).

- (vi) Through the Strategic Partnership, efficiencies can be gained through the coordination of certain activities. For example, when procuring items hard cost savings can be realized through volume discounting of services or products. (Response Board Staff I.R. #4).

- 6. In addition, there will be no rate impact on the ratepayers of PowerStream as a result of this transaction.
- 7. The Board must determine whether or not the transaction contemplated in the Application will have an adverse effect on:
 - (i) the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service; or
 - (ii) economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity or the maintenance of a financially viable electricity industry.
- 8. This is known as the "no harm test".
- 9. There are no harms from the proposed transaction and the Applicant and Co-Applicant have identified several benefits for ratepayers.

Conclusion

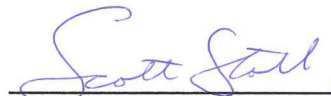
10. Based upon the factors summarized above, the Applicants submit the proposed transaction meets the "no harms test" and should be approved by the Board.
11. The Applicants and Co-Applicant request the Board issue a decision approving the proposed transaction at the earliest possible opportunity so that the Applicants and Co-Applicants can move forward to close the transaction.

DATED June 20, 2012 at Toronto, Ontario.

**PowerStream Inc.,
Town of Collingwood,
Collingwood Utilities Services Corp.**

By the Applicant's counsel

AIRD & BERLIS LLP



Scott Stoll