Deloitte.

Project Titan

Phase II – Relative Valuation Report

(Hybrid PowerStream Solar Structure)

July 27, 2015

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Transaction and Engagement Overview

Deloitte.

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July 27, 2015

Background

Deloitte LLP ("Deloitte, "us" "we") has been engaged by JMH Consulting ("you", "Client") to analyze a potential merger (collectively the "Merger Parties") between PowerStream Inc. ("PowerStream"), Enersource Corporation ("Enersource"), and Horizon Utilities Corporation ("Horizon") (collectively the "LDC Group") and acquisition of H1 Brampton ("Hydro One"). We have been asked to provide the relative fair market value, on an enterprise value basis, of the ownership interests for each of the merger parties and their respective shareholders (the "Relative Valuation").

Our Relative Valuation has been prepared in conformity with the Practice Standards of The Canadian Institute of Chartered Business Valuators (the "CICBV"). No part of Deloitte's fee is contingent upon the conclusions reached in the Relative Valuation or any action or event contemplated in, or resulting from the use of, the Relative Valuations. The principal valuator and other staff involved in the preparation of the Relative Valuation acted independently and objectively in completing this engagement.

Value Definition

Fair market value is defined as the highest price available in an open and unrestricted market between informed and prudent parties, acting at arm's length and under no compulsion to act. The Relative Valuation was prepared as at July 27, 2015 (the "Valuation Date").

Restrictions, Limitations and Major Assumptions

Restrictions, limitations and major assumptions

This report is not intended for general circulation or publication, nor is it to be reproduced or used for any purpose other than that outlined above without our written permission in each specific instance. We do not assume any responsibility or liability for losses incurred by any party as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph. Notwithstanding the foregoing, the report may be provided to each of the Merger Parties' financial advisors.

We reserve the right to review all calculations included or referred to in this report and, if we consider it necessary, to revise our opinion as to the relative fair market value of the ownership interests in light of any information which becomes known to us after the date of this report.

We believe that our analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by us, without considering all factors and analyses together, could create a misleading view of the process underlying the estimate of value.

Deloitte.

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Conclusion

Based upon discussions with the Merger Parties, research, analysis and experience, and subject to restrictions, limitations and assumptions as noted in this report, the indicative relative valuation ownership interests are as follows:

Merger Party	2014		2015	
	Enterprise Value	Market Multiple	Enterprise Value	Market Multiple
PowerStream	43% - 49%	42% - 48%	43% - 49%	43% - 49%
Enersource	28% - 34%	28% - 34%	28% - 34%	29% - 35%
Horizon Utilities	20% - 26%	20% - 26%	20% - 26%	19% - 25%

Yours very truly,

Deloitte LLP

Richard Taylor
Partner
Deloitte

Remo Bucci
Director
Deloitte

PowerStream Inc.

Company overview

General overview

- The principal activity of PowerStream Inc. (PowerStream) is the distribution of electricity. PowerStream is the second largest municipally owned LDC in Ontario, serving over 370,000 residential and commercial customers.
- In 2004, Hydro Vaughan Distribution Inc., Markham Hydro Distribution Inc., and Richmond Hill Hydro amalgamated to form PowerStream Inc. PowerStream continued to grow with the purchase of Aurora Hydro Connections Inc. By 2009, PowerStream successfully merged with Barrie Hydro Distribution Inc. Most recently, PowerStream completed a 50% purchase of Collingwood Utility Services Inc. and established the joint venture Collingwood PowerStream Utility Services Corporation (Collus PowerStream).
- PowerStream encompasses an 854 square kilometre service territory, managing more than $1.3 billion in assets and delivering over 8,384 gigawatt hours of electricity to customers annually.
- With the introduction of the Green Energy and Economy Act in 2009, PowerStream began providing its customers with opportunities to participate in FIT and microFIT programs. PowerStream Solar, a division of PowerStream Inc., began operations to design and construct its own projects. Based on the anticipated structure of the investment, PowerStream's class A shareholders are expected to receive all of the economic benefit associated with PowerStream's solar business. As a result, there is no value associated with the PowerStream's solar business included in the relative value analysis.
- During 2014, PowerStream added 6,800 new customer connections, increasing its residential and commercial base to approximately 370,000. PowerStream's peak demand achieved in 2014 was 1,667 megawatts.

Location

PowerStream provides service areas of Alliston, Aurora, Barrie, Beeton, Bradford West Gwillimbury, Markham, Penetanguishene, Richmond Hill, Thornton, Tottenham and Vaughan, as well as Collingwood, Stayner, Creemore and Thornbury through its strategic partnership with Collus PowerStream.

PowerStream Holdings Inc. and PowerStream Inc.'s head office is located at 161 Cityview Boulevard, Vaughan, ON L4H 0A9. This location was completed in 2008 and also houses the operations center. A second operations center is located at the 80 Addiscott Court location in Markham.

Organizational structure

PowerStream's Board of Directors is appointed by the company's three Shareholders.

The Board is composed of 13 members with Maurizio Bevilacqua taking the role of Chairman and Frank Scarpitti of Vice-Chairman.

The Executive Management Team is composed of 5 members with Brain Bentz acting as president and Chief Executive Office.

Sources of capital

PowerStream maintains a 50% Net Income dividend policy for its Common Shares, based on its rate regulated business. Net Income that is not distributed is reinvested to support the core business.

PowerStream has issued $200M 3.958% Series A Unsecured Debentures and $150M 3.239% Series B Unsecured Debentures.

Enersource Corporation

Company overview

General overview

- Enersource Hydro Mississauga Inc. (“Enersource”) is the regulated utility, through which Enersource distributes electricity and promotes energy conservation. Enersource serves over 202,000 residential, commercial, and industrial customers across Mississauga.
- Ninety percent of Enersource Corporation is owned by the City of Mississauga, and 10% is owned by BPC Energy Corporation (Borealis), which is part of the Ontario Municipal Employees Retirement System.
- As an unregulated operating subsidiary of Enersource Corporation, Enersource Power Services (“EPS”) specializes in street lighting and high voltage design, specification, procurement, construction, maintenance, operation, and management services for local governments, airports, and academic facilities with private electrical infrastructure facilities.
- EPS provides high voltage infrastructure design, installation and maintenance with Canada’s largest airport, Lester B. Pearson International (part of the Greater Toronto Airports Authority or GTAA), and is currently completing the country’s largest known LED street lighting conversion initiative in the City of Mississauga.
- Enersource Power Services provides state of the art technology, high quality expertise, and cost and asset management. Services include: engineering consulting and planning, construction and maintenance and system operation and management.

Location

Enersource serves residential, commercial, and industrial customers in Mississauga, the sixth largest city in Canada. The city has a population of roughly 720,000 as of 2011.

Enersource’s service territory covers 288 square kilometers and includes 1,798 km of overhead lines, 3,376 km of underground lines, and approximately 25,261 distribution transformers.

Electrical power in the City of Mississauga originates from ten Hydro One Networks Inc. (“Hydro One”) transformer stations.

Organizational structure

Enersources’ Board of Directors oversees Enersources, which then oversees both Enersource Hydro Mississauga and Enersource Power Services Inc.

The Executive Management Team is composed of 7 members with Peter Gregg acting as president and Chief Executive Office.

Sources of capital

Enersource currently holds $320 million of private placement debt at a total cost of 5.0914%.

This is comprised of $110 million of Series A 10-year debentures with a fixed coupon rate of 4.521%, and $210 million of Series B 30-year debentures with a fixed coupon rate of 5.297%.

Horizon Holdings Inc.

Company overview

General overview

- Horizon Holdings Inc. ("HHI") is the holding company for Horizon Utilities Corporation, one of the largest municipally-owned electricity distribution companies in Ontario, and Horizon Energy Solutions Inc. ("HESI"), a leading provider of commercial grade metering, solar PV, and CDM services.
- The principal business of HHI is Horizon Utilities, a regulated LDC that, through its electricity distribution system of wires, connects customers to Ontario's transmission grid and, ultimately, to electricity generated from various sources. Horizon Utilities principally earns revenue by charging its customers for use of its distribution system.
- The company is owned 78.9% by Hamilton Utilities Corporation ("HUC") and 21.1% by St. Catharines Hydro Inc. ("SCHI"). The latter two companies are respectively owned by the City of Hamilton and the City of St. Catharines.
- Horizon Utilities, the local distribution company regulated by the Ontario Energy Board, provides electricity and related utility services to more than 240,000 residential and commercial customers in Hamilton and St. Catharines.
- HESI, the competitive market service provider, is a trusted expert in providing innovative and financially sustainable energy solutions for businesses, utilities, and municipalities. It has been providing commercial grade energy services since the deregulation of Ontario's electricity sector in 2000.
- SCHI is a holding company with other investments in St. Catharines Hydro Generation Inc. which owns, operates, and develops electricity generation facilities.

Location

Horizon Utilities distributes electricity to 242,150 customers within the boundaries of the City of Hamilton and City of St. Catharines

Construction activities are based out of the three operations centres – Nebo, Stoney Creek, and St. Catharines. The Nebo facility generally services the areas west of the center of Hamilton, while Stoney Creek services the east. The St. Catharines Vansickle centre services the City of St. Catharines.

Horizon Utilities' total service territory is 430 square km. in area, comprised of 342 square km of urban and 88 square km of rural distribution areas.

Organizational structure

HHI and HESI are separately governed by their own Boards of Directors each consisting of five independent directors.

Horizon Utilities is governed by a Board of Directors consisting of 10 independent directors.

The Executive Management Team ("EMT") of HHI and Horizon Utilities each consists of the President & CEO, Sr. VP and CFO, VP General Counsel, VP Business Development, and VP Finance. The EMT of HESI includes the same members as HHI and the VP Energy Solutions. Max Canazi is acting as president and Chief Executive Office.

Sources of capital

HHI presently has three principal sources of financial liquidity:

Share capital: Share capital is represented by $225MM (2014) of shareholder equity accruing to HUC and SCHI.

Senior unsecured debt: HHI has established a Trust Indenture with Computershare Trust Company of Canada, and has issued aggregate debentures of $190 million.

Credit facility: Horizon Holdings has a $100MM, 365-day, unsecured revolving credit facility for working capital purposes.

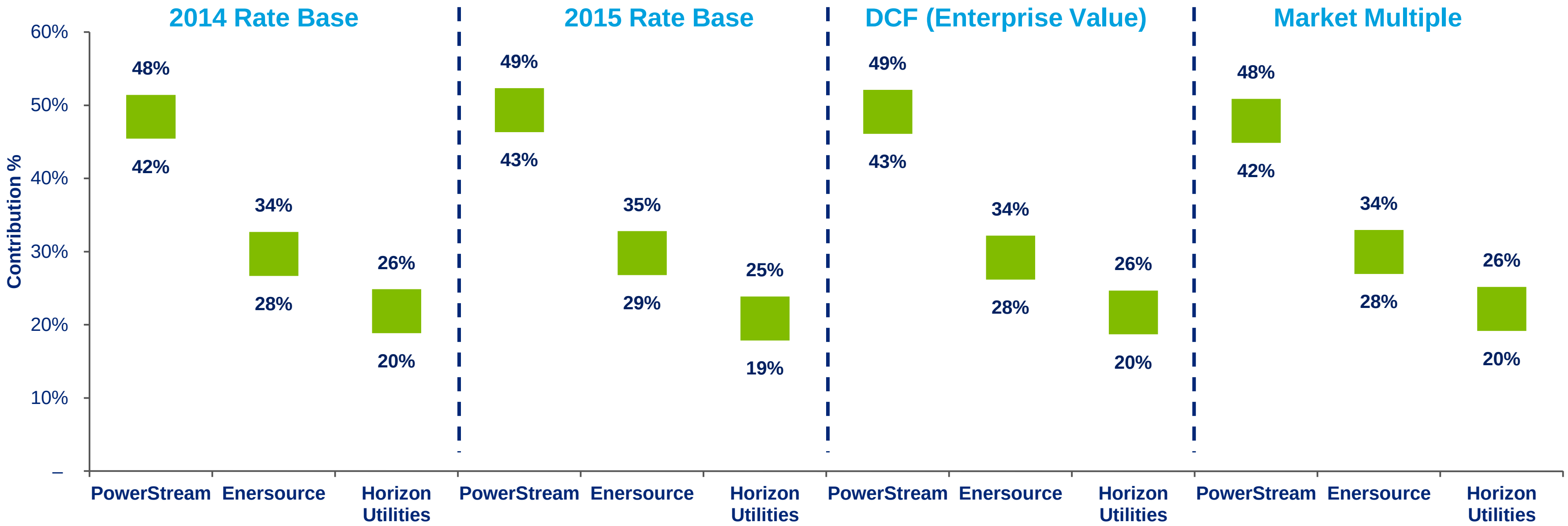
Valuation Overview

Valuation Summary

Relative Valuation Range Summary

Based on the finalized assumptions and updated long-term capital plans, a relative value range is presented below, along with the key summary valuation metrics for the Phase II Relative Valuation.

Relative Valuation Range for Each LDC



Value ranges reflect no value attributed to PowerStream's solar operations, consistent with the hybrid solar structure scenario

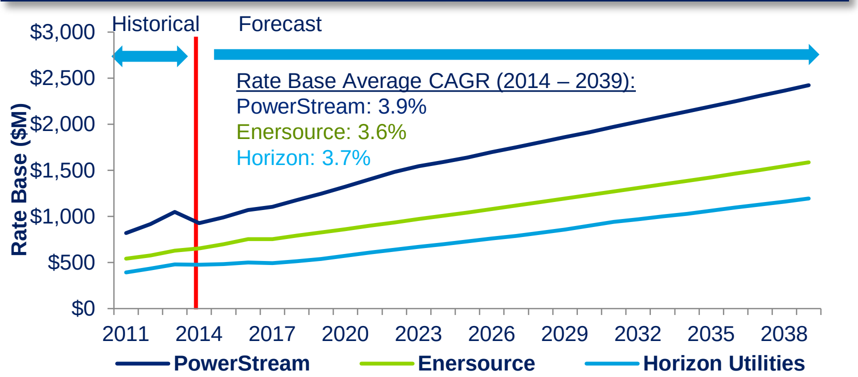
Notes:
(1) Relative valuation based on 2014 and 2015 Rate Base for regulated and non-regulated businesses of each LDC. Relative valuation for Rate Base of regulated businesses as at December 31, 2015 has been estimated based on current forecast information. For the non-regulated businesses, the Rate Base is assumed to be equal to the net book value. Net book value for the non-regulated businesses is net book value of net operating assets. These valuations have been provided as additional sensitivity data points for the relative values determined based on the Enterprise Value DCF and Market Multiples approaches.
(2) Enterprise Value and Market Multiples value are as at December 31, 2014 for the regulated and non-regulated businesses.

Key Metrics Summary

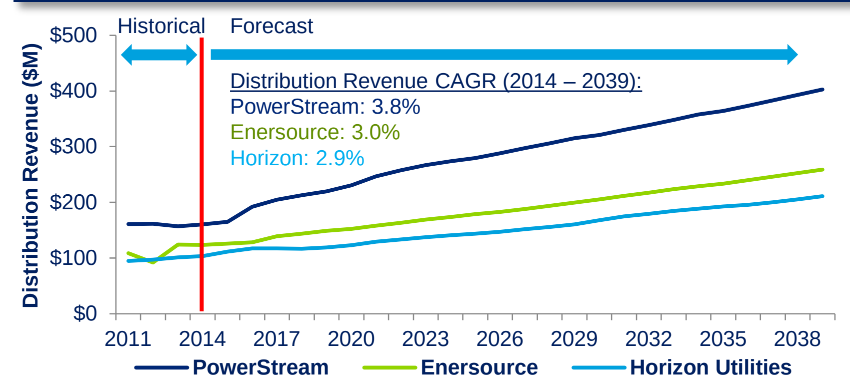
Preliminary Results from the LDC Model

The charts below present the key preliminary results from the LDC model for each of the three LDCs[1].

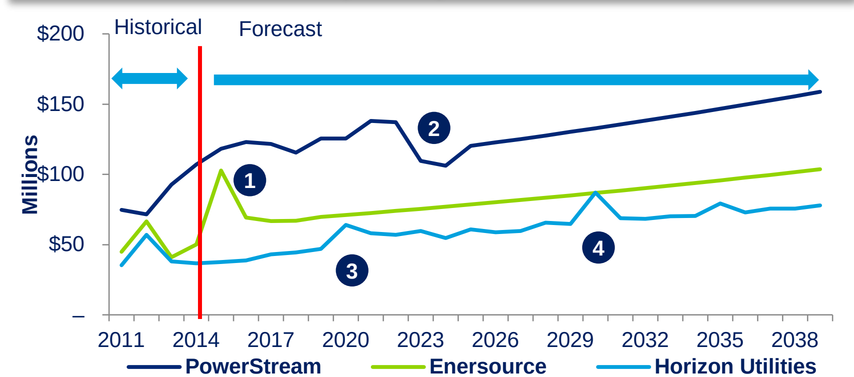
Rate Base



Distribution Revenue



Capital Expenditure



1 Enersource - $40M Contribution to Hydro One in 2015
2 PowerStream – Decrease in System Service spend by ~$24M
3 Horizon - CIS upgrade of $10M (2020)
4 Horizon – Full replacement of ERP system scheduled for 2030 of ~$15M

Observations

- The rate base is projected to grow from 2014 to 2039 by 3.9%, 3.6%, and 3.7% for PowerStream, Enersource, and Horizon
- Distribution revenues are projected to grow from 2014 to 2039 by 3.8%, 3.0% and 2.9% for PowerStream, Enersource, and Horizon

Three-Way Merger

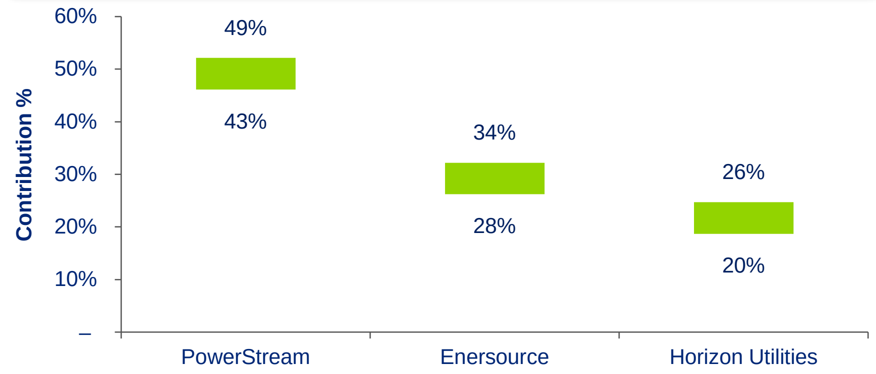
Relative Valuation Range – Enterprise Value

Based on the finalized assumptions and updated long-term capital plans, a relative value range is presented below, along with the key summary valuation metrics for the Phase II Relative Valuation.

Enterprise Value[1] Base Case

Base Valuation Summary	2014 ($M)	%	EV to 2014 Rate Base
Rate Base - Regulated Only ($M)			
PowerStream	$929.5	45.1%	
Enersource	$654.1	31.7%	
Horizon Utilities	$477.6	23.2%	
Rate Base - Regulated & Non-Regulated [2]			
PowerStream	$952.6	45.5%	
Enersource	$657.2	31.4%	
Horizon Utilities	$483.8	23.1%	
Enterprise Value (Regulated Only)			
PowerStream	$1,082.6	45.9%	1.16x
Enersource	$744.4	31.6%	1.14x
Horizon Utilities	$531.6	22.5%	1.11x
Enterprise Value (Regulated & Non-Regulated) [3]			
PowerStream	$1,111.2	46.0%	1.17x
Enersource	$749.6	31.0%	1.14x
Horizon Utilities	$557.0	23.0%	1.15x

Relative Valuation Range for Each LDC



- The midpoint of the Relative Valuation Range is based on relative Enterprise Value of regulated and non-regulated businesses for each LDC.
- The regulated only metrics are included to provide context of contribution of non-regulated businesses to the overall relative value.

Notes:
(1) Enterprise Value is based on a DCF valuation methodology.
(2) For the non-regulated businesses, it is assumed that the Rate Base is equal to the estimated fair market value of the non-regulated businesses.
(3) Enterprise Values of non-regulated businesses (2014) of each LDC as follows (excluding PowerStream solar):
- *PowerStream: PESI - $16.1M; Collus - $12.5M.*
- *Enersource: EHMSI - $5.2M.*
- *Horizon: Solar - $8.5M; HESI - $3.9M; Billing - $13.0M.*

Three-Way Merger

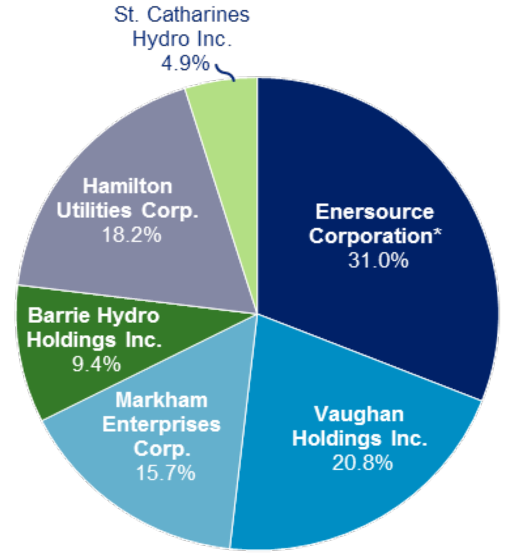
Shareholding Contribution Analysis – Enterprise Value

Based upon the Enterprise Value Base Case, the relative ownership for the shareholders of each LDCs (on a stand-alone basis) and for the potential Merge Co has been developed to demonstrate the relative contribution of each shareholder within the Merge Co.

Pre-Merger Shareholding

Enersource	
City of Mississauga	90.0%
BPC Energy Corp. (Borealis)	10.0%
	100.0%
PowerStream	
City of Vaughan	45.3%
City of Markham	34.2%
City of Barrie	20.5%
	100.0%
Horizon Utilities	
City of Hamilton	78.9%
City of St. Catharines	21.1%
	100.0%

Potential Merge Co Shareholding Contribution



* Enersource Corporation: City of Mississauga: 27.9%; BPC Energy Corp.: 3.1%

Three-Way Merger

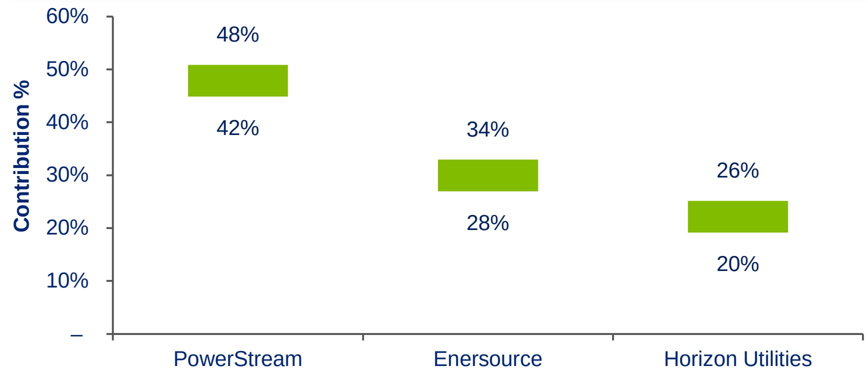
Relative Valuation Range (Phase II) – Market Multiple

Based on the finalized assumptions, a relative value range is presented below, along with the key summary valuation metrics for the Phase II Relative Valuation.

Market Multiples[1] Base Case

Base Valuation Summary	2014 ($M)	%	MV to 2014 Rate Base (Rounded)
Rate Base - Regulated Only ($M)			
PowerStream	$929.5	45.1%	
Enersource	$654.1	31.7%	
Horizon Utilities	$477.6	23.2%	
Rate Base - Regulated & Non-Regulated			
PowerStream	$952.6	45.5%	
Enersource	$657.2	31.4%	
Horizon Utilities	$483.8	23.1%	
Market Value (Regulated Only)			
PowerStream	$1,311.0	45.2%	1.41x
Enersource	$926.8	31.9%	1.42x
Horizon Utilities	$664.5	22.9%	1.39x
Market Value (Regulated & Non-Regulated) [2]			
PowerStream	$1,339.6	45.2%	1.41x
Enersource	$932.0	31.5%	1.42x
Horizon Utilities	$689.9	23.3%	1.43x

Relative Valuation Range for Each LDC



- The midpoint of the Relative Valuation Range is based on relative Market Multiple Value of regulated and un-regulated businesses for each LDC.
- The regulated only metrics are included to provide context of contribution of un-regulated businesses to the overall relative value.

Notes:

(1) Market Value has been calculated through a market multiple methodology based on a payback analysis with the following key assumptions:

- *Financing costs on premium over rate base. Financing structure assumes an amortizing structure with interest paid over the payback period and excess cash flows used to pay down the principal to be zero at Year 10. It is also assumed that the acquirer's balance sheet is sufficient to absorb the principal without negatively impact their debt rating.*
- *A 1% Over-Earning Potential above the OEB deemed ROE with a perpetuity assumed at Year 10.*
- *Return on Rate Base (RORB) over payback period reflecting the benefit of undertaking the acquisition on a 100% debt financing basis over the payback period. Rate Base assumption is held constant for 10 years to ensure that the WACC arbitrage only relies at the Rate Base at the time of the acquisition to repay the premium. This assumption ensures that any growth in Rate Base would accrue to the shareholder, which is available regardless of the acquisition.*
- *No acquisition costs have been considered within the payback analysis - It is assumed that acquisition costs would not materially impact the relative market values of the LDCs.*

(2) Fair market value is defined as the highest price available in an open and unrestricted market between informed and prudent parties, acting at arm's length and under no compulsion to act. Fair market value represents the price that would be paid by a purchaser to the vendor in the notional market context and therefore is prior to consideration of the taxes that might be payable by the vendor on disposition of the asset.

Three-Way Merger

Shareholding Contribution Analysis – Market Multiple

Based upon the Market Multiple Base Case, the relative ownership for the shareholders of each LDCs (on a stand-alone basis) and for the potential Merge Co has been developed to demonstrate the relative contribution of each shareholder within the Merge Co.

Pre-Merger Shareholding

Enersource	
City of Mississauga	90.0%
BPC Energy Corp. (Borealis)	10.0%
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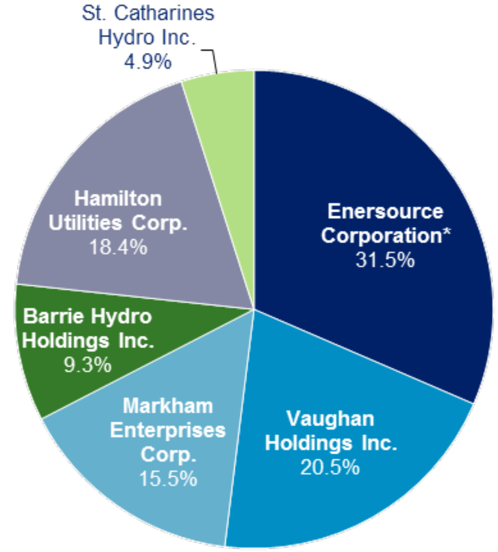
PowerStream	
City of Vaughan	45.3%
City of Markham	34.2%
City of Barrie	20.5%
	100.0%
Horizon Utilities	
City of Hamilton	78.9%
City of St. Catharines	21.1%
	100.0%

Potential Merge Co Shareholding Contribution



* Enersource Corporation: City of Mississauga: 28.3%; BPC Energy Corp.: 3.1%

Phase II - Valuation Results

Valuation Results – Market Multiples Approach Valuation

The table below summarizes the payback analysis for each LDC:

PowerStream

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Savings Payback												
Acquisition Premium Paid		($381,514,051)										
OM&A Savings		$4,560,800	$9,311,200	$9,492,000	$9,719,500	$9,919,300	$5,313,850	–	–	–	–	–
Acquisitions Cost		–	–	–	–	–	–	–	–	–	–	–
Financing Costs on Acquisition Premium (Long-Term Rate)		($7,972,561)	($15,700,463)	($14,805,885)	($13,865,864)	($12,877,405)	($11,839,247)	($10,898,631)	($10,080,312)	($9,225,845)	($8,337,196)	($3,706,303)
Pre-Tax Net Savings / (Cost)		**($3,411,761)**	**($6,389,263)**	**($5,313,885)**	**($4,146,364)**	**($2,958,105)**	**($6,525,397)**	**($10,898,631)**	**($10,080,312)**	**($9,225,845)**	**($8,337,196)**	**($3,706,303)**
Tax @ 26.5%		($904,117)	($1,693,155)	($1,408,179)	($1,098,787)	($783,898)	($1,729,230)	($2,888,137)	($2,671,283)	($2,444,849)	($2,209,357)	($982,170)
Post-Tax Net Savings / (Cost)		**($2,507,645)**	**($4,696,108)**	**($3,905,705)**	**($3,047,578)**	**($2,174,207)**	**($4,796,167)**	**($8,010,494)**	**($7,409,029)**	**($6,780,996)**	**($6,127,839)**	**($2,724,133)**
Post-Tax WACC Arbitrage / Return on Rate Base		$10,709,322	$21,418,644	$21,418,644	$21,418,644	$21,418,644	$21,418,644	$21,418,644	$21,418,644	$21,418,644	$21,418,644	$10,709,322
Post-Tax Over-Earning on Rate Base		$2,143,035	$4,425,891	$4,709,764	$4,996,757	$5,298,319	$5,614,299	$5,937,457	$6,190,549	$6,370,596	$6,567,107	$167,253,739
Post-Tax Net Acquisition Savings / (Cost)		$10,344,713	$21,148,427	$22,222,703	$23,367,823	$24,542,755	$22,236,777	$19,345,607	$20,200,164	$21,008,244	$21,857,911	$175,238,928
Balance		**($371,169,338)**	**($350,020,911)**	**($327,798,209)**	**($304,430,385)**	**($279,887,630)**	**($257,650,853)**	**($238,305,246)**	**($218,105,083)**	**($197,096,839)**	**($175,238,928)**	**–**

Enersource

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Savings Payback												
Acquisition Premium Paid		($272,654,516)										
OM&A Savings		$2,705,768	$5,519,767	$5,630,163	$5,742,766	$5,857,621	$2,987,387	–	–	–	–	–
Acquisitions Cost		–	–	–	–	–	–	–	–	–	–	–
Financing Costs on Acquisition Premium (Long-Term Rate)		($5,709,416)	($11,179,567)	($10,461,216)	($9,711,104)	($8,928,120)	($8,111,064)	($7,351,706)	($6,655,511)	($5,931,602)	($5,179,117)	($2,198,565)
Pre-Tax Net Savings / (Cost)		**($3,003,648)**	**($5,659,800)**	**($4,831,053)**	**($3,968,338)**	**($3,070,499)**	**($5,123,677)**	**($7,351,706)**	**($6,655,511)**	**($5,931,602)**	**($5,179,117)**	**($2,198,565)**
Tax @ 26.5%		($795,967)	($1,499,847)	($1,280,229)	($1,051,610)	($813,682)	($1,357,774)	($1,948,202)	($1,763,710)	($1,571,875)	($1,372,466)	($582,620)
Post-Tax Net Savings / (Cost)		**($2,207,681)**	**($4,159,953)**	**($3,550,824)**	**($2,916,729)**	**($2,256,817)**	**($3,765,903)**	**($5,403,504)**	**($4,891,800)**	**($4,359,728)**	**($3,806,651)**	**($1,615,945)**
Post-Tax WACC Arbitrage / Return on Rate Base		$9,059,650	$18,119,300	$18,119,300	$18,119,300	$18,119,300	$18,119,300	$18,119,300	$18,119,300	$18,119,300	$18,119,300	$9,059,650
Post-Tax Over-Earning on Rate Base		$1,510,187	$3,022,947	$3,164,663	$3,307,681	$3,453,275	$3,598,331	$3,742,713	$3,886,172	$4,029,687	$4,174,051	$96,507,345
Post-Tax Net Acquisition Savings / (Cost)		$8,362,156	$16,982,294	$17,733,139	$18,510,252	$19,315,758	$17,951,729	$16,458,509	$17,113,672	$17,789,259	$18,486,700	$103,951,050
Balance		**($264,292,361)**	**($247,310,066)**	**($229,576,928)**	**($211,066,675)**	**($191,750,917)**	**($173,799,188)**	**($157,340,680)**	**($140,227,008)**	**($122,437,750)**	**($103,951,050)**	**–**

Horizon Utilities

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Savings Payback												
Acquisition Premium Paid		($186,924,887)										
OM&A Savings		$3,040,000	$6,170,000	$6,260,000	$6,360,000	$6,480,000	$3,305,000	–	–	–	–	–
Acquisitions Cost		–	–	–	–	–	–	–	–	–	–	–
Financing Costs on Acquisition Premium (Long-Term Rate)		($3,889,165)	($7,666,012)	($7,179,094)	($6,670,631)	($6,139,219)	($5,582,011)	($5,100,051)	($4,700,629)	($4,283,587)	($3,848,700)	($1,697,675)
Pre-Tax Net Savings / (Cost)		**($849,165)**	**($1,496,012)**	**($919,094)**	**($310,631)**	**$340,781**	**($2,277,011)**	**($5,100,051)**	**($4,700,629)**	**($4,283,587)**	**($3,848,700)**	**($1,697,675)**
Tax @ 26.5%		($225,029)	($396,443)	($243,560)	($82,317)	$90,307	($603,408)	($1,351,514)	($1,245,667)	($1,135,151)	($1,019,906)	($449,884)
Post-Tax Net Savings / (Cost)		**($624,137)**	**($1,099,569)**	**($675,534)**	**($228,313)**	**$250,474**	**($1,673,603)**	**($3,748,538)**	**($3,454,962)**	**($3,148,436)**	**($2,828,795)**	**($1,247,791)**
Post-Tax WACC Arbitrage / Return on Rate Base		$5,316,078	$10,632,156	$10,632,156	$10,632,156	$10,632,156	$10,632,156	$10,632,156	$10,632,156	$10,632,156	$10,632,156	$5,316,078
Post-Tax Over-Earning on Rate Base		$1,003,347	$1,978,480	$2,063,787	$2,159,090	$2,290,112	$2,435,302	$2,558,988	$2,681,961	$2,797,290	$2,914,130	$76,200,044
Post-Tax Net Acquisition Savings / (Cost)		$5,695,288	$11,511,068	$12,020,409	$12,562,933	$13,172,743	$11,393,854	$9,442,607	$9,859,155	$10,281,009	$10,717,492	$80,268,330
Balance		**($181,229,598)**	**($169,718,531)**	**($157,698,122)**	**($145,135,189)**	**($131,962,447)**	**($120,568,592)**	**($111,125,986)**	**($101,266,831)**	**($90,985,822)**	**($80,268,330)**	**–**

Notes:
[1] Financing structure assumes an amortizing structure with interest being paid over the payback period and excess cash flows used to pay down the total principal to be zero at Year 10. It is also assumed that the acquirer's balance sheet is sufficient to absorb the principal without negatively impact their debt rating.
[2] Rate Base assumption is held constant for 10 years to ensure that the WACC arbitrage only relies at the Rate Base at the time of the acquisition to repay the premium. This assumption ensures that any growth in Rate Base would go to the shareholder, which is available regardless of the acquisition.
[3] Over-Earning on Rate Base is based on earning an additional 1% over the regulated ROE with a perpetuity at the end of the payback period, at a discount rate of 6.50%.

Three-Way Merger
Scenario Analysis

The table below provides a summary of the following scenarios for the relative valuation of each LDC:

- Enterprise Value (based on DCF methodology):
  - Base Case – Calculated with 2014 as the base year.
  - 2015 Valuation – Calculated with 2015 as the base year.
- Market Value (based on market multiple methodology):
  - Base Case – Calculated on a payback justified multiple of approximately 1.4x 2014 Rate Base.
  - 2015 Valuation – Calculated on a payback justified multiple of approximately 1.4x 2015 Rate Base.
  - Remove 1% Over Earning Potential – Market values of the LDCs calculated using a multiple calculated with the assumption that the LDCs would not achieve a 1% over earn on the OEB regulated return on equity.

	Enterprise Value Valuation		Market Multiple Valuation		
	Base Case	2015 Valuation[1]	Base Case	2015 Valuation	No 1% Over Earn Potential
Relative Valuation (%)					
PowerStream	46%	46%	45%	46%	46%
Enersource	31%	31%	31%	32%	32%
Horizon Utilities	23%	23%	23%	22%	23%
Values as Multiples of Rate Base[2]					
PowerStream	1.17x	1.16x	1.41x	1.41x	1.25x
Enersource	1.14x	1.13x	1.42x	1.42x	1.25x
Horizon Utilities	1.15x	1.19x	1.43x	1.43x	1.29x

Notes:
**Valuation scenarios presented above are for regulated and non-regulated businesses of each LDC.* No value is ascribed to PowerStream's solar business consistent with the structure contemplated in the hybrid solar scenario.
(1) Relative valuation as at December 31, 2015 have been estimated based on current forecast information.
(2) Multiples for Base Case Enterprise Value Valuation and Market Multiple Valuation (Base Case and No 1% Over Earn Potential scenarios) are presented based on 2014 Rate Base. For 2015 Enterprise Value Valuation scenario, multiples presented based on the forecasted 2015 Rate Base of each LDC.

Conclusion

Conclusion

Summary of Results

- During the Phase I component of our work, it was determined that the Market Value method (which relies on a market multiple approach) method should serve as the primary basis for the relative value determination, as this method represents a snap-shot view of what a buyer would be willing to pay for a large LDC in Ontario.
    - However, it was noted that the Enterprise Value method (which relies on DCF approach) provides a fundamental economic assessment of value and would be the primary approach to estimate relative value,
    - A valuation based on market multiples is a relevant test of the reasonability of the relative values reached through the DCF approach – the primary approach to value
    - No value is ascribed to PowerStream's solar business consistent with the structure and share rights contemplated in the hybrid solar scenario.
- The conclusions reached through the Enterprise Value (DCF) approach and through the Market Multiples approach are very similar, as shown by results of the relative contributions listed below:
    - Results demonstrate that both approaches could be considered by the merger parties to finalize the relative contribution through negotiation with priority given to the DCF approach.
    - This negotiation should also consider sensitivities of both the regulated and unregulated components.

	Enterprise Value (EV)	Market Multiple (MM)	Δ (MM-EV)
PowerStream	46.0%	45.2%	-0.7%
Enersource	31.0%	31.5%	0.5%
Horizon	23.0%	23.3%	0.3%

Note: PowerStream's enterprise value benefits primarily from higher amounts of capital investments in the initial years

Appendix A:

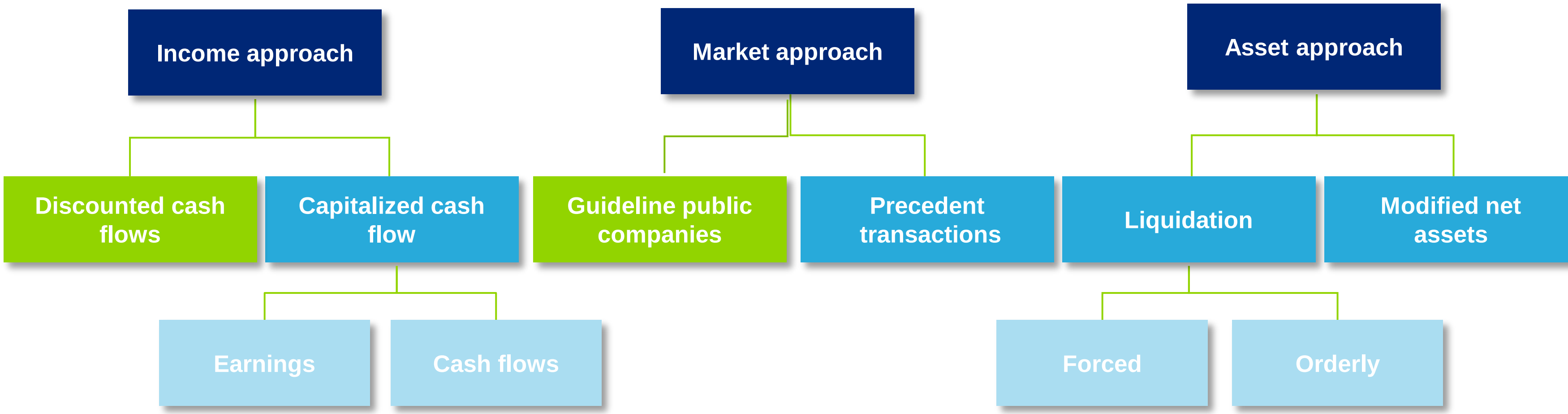
Approach and Methodology

Valuation Process

Process to Complete Relative Valuation for Phase II

Phase I High-Level Valuation	• Between October 2014 to January 2015, a high-level relative valuation and shareholder contribution of each of the Local Distribution Companies (“LDCs”) (regulated and non-regulated) using two valuation approaches was completed and the results were presented to the LDC Group: (1) Enterprise Value (“Enterprise Value”) based on a Discounted Cash Flow Approach (“DCF”); (2) A Market Value Approach (“Market Value”) based on a market multiple approach (“Phase I High-Level Valuation”). • We prepared a Report to document the results of the Phase I High-Level Valuation of the LDCs (regulated and non-regulated). Phase I produced a relative valuation of each LDC that had a range of ~ +/- 3% (for each LDC). • The Phase I High-Level valuation was based on preliminary inputs and assumptions which would be further examined in detail during the following phase (“Phase II”) of our work to complete a final valuation report (“Phase II Relative Valuation Report”).
Confirmation of Assumptions	• A meeting was held with the LDC Group on March 13, 2015 for confirmation of key normalizing assumptions for the LDC Model which would be used to determine the relative valuation as part of Phase II. • Confirmation of the following assumptions was obtained: Working Capital Allowance; Cost of Power Growth Rate; Effective Tax Rates; and OM&A Inflation Rate.
Asset / Capex Review Meeting	• The Asset / Capex Review Meeting was held on March 19, 2015 with teams from the LDC Group to develop a set of assumptions on long-term capex to support renewal and growth for each LDC. Each LDC presented their long-term capital plans such that each other LDC was comfortable with the capital plans of the other LDCs. • Long-term (25-year) capital expenditure (renewal and growth) assumptions were provided by each LDC to update the LDC Model for the purposes of relative valuation.
Review of Updated LDC Model and Relative Valuation	• The updated LDC Model, with updated assumptions and capital plans, was shared with each member of the LDC Group for review and feedback. We also updated the valuation of the non-regulated businesses of each LDC Group based on additional information received. • Met with each member of the LDC Group to discuss the draft Phase II relative valuation results. The LDC Model was further updated based on feedback received from the LDC Group and the relative valuation was subsequently revised and presented to the LDC Group during a meeting on April 9, 2015.
Develop Phase II Relative Valuation & Report	• Completed the Phase II relative valuation of each of the LDCs based on the Enterprise Value and Market Value with additional sensitivities based on feedback received from the LDCs. • Prepared a Phase II Relative Valuation Report to document results of the Phase II relative valuation of the LDCs (regulated and non-regulated). • Removed the value of PowerStream’s solar business from the relative value analysis consistent with the structure and share rights contemplated under the hybrid solar scenario. Prepared this Phase II Relative Valuation Report reflecting no value ascribed to PowerStream’s solar operations consistent with the hybrid solar scenario.

Valuation Methodology



Approach descriptions

Income approach

The income approach ascribes value to the net assets or equity of the company based on its ability to generate future discretionary cash flow and earn a reasonable return on investment after consideration of risks related thereto. Examples of the income approach include the capitalized earnings/cash flow and the discounted cash flow methods.

Market approach

The empirical or market approach involves determining the fair market value of the net assets or equity of a company based on value relationships and/or activity ratios derived or implied from the analysis of guideline public company trading prices and market transactions that can be applied to the company in question. Both merger and acquisition activity and stock market activity are considered in deriving various value measures to apply.

Asset approach

The asset-based approach considers the current value of a company's net assets as the prime determinant of value. This approach is generally used where a business is not viable as a going concern and it, therefore, maximizes value under liquidation or where a company is properly valued as a going concern but where the going concern value is closely related to the value of its underlying assets (i.e. limited goodwill and intangible assets).

Selected approaches to determine relative value

Enterprise Value– discounted cash flow ("DCF") approach

- We have selected the DCF approach as our primary approach to determine relative value, having considered the following:
  - The cash flow generating ability of the entities creates value above the book value of the underlying assets
  - Detailed financial forecasts for the discrete period are available
  - Capital spending and the resulting growth in rate base are expected to vary across the entities over the discrete forecast period

Market Multiples approach – market transactions

- We have also considered the market multiples approach in our valuation, based on the following:
  - Precedent transactions exist where the target companies were operating in the same industry and environment
  - Analysis of elements justifying premiums to rate base can be completed to support transaction premiums
  - Guideline public company multiples are available and are somewhat informative

Valuation Approach

Approach to Relative Value Contribution

- As the starting point, Deloitte's premise has been that the relative value contribution should be based on contributed net operating assets (net of redundant assets), the most critical of which are the current regulatory assets/rate base.
  - The principle advantage of this approach is that it avoids any issues caused by different balance sheet items (capital structures).
  - Our view is that Enterprise Value (based on a DCF approach) of the contributed net operating assets (net of redundancies such as excess working capital and cash) serves as the baseline methodology to meet this premise.
  - We also completed an analysis based on a Market Multiple approach as a secondary approach to value. The relative values based on the market multiple approach are supportive and generally consistent with the relative value conclusion determined through the Enterprise Value (DCF approach). Although in our Phase I work we presented a Market Multiple approach, we did so as the results were very similar to the Enterprise Value (DCF) conclusions.
  - Beyond the current rate base, the greatest differentiator of Relative Value is capital investments in both new (growth) and renewal infrastructure. To recognize the time value of these capital investments, a "theoretical" annual re-basing process (Custom IR) was proposed, which essentially realizes value contributed by these capital investments as they occur (i.e. with minimal time lags).
- Understanding the sensitivity of Relative Value to these capital investments, we deemed it important to ensure that the annual inputs for capital investments were appropriate. As such, we worked with each merger party to ensure that the related capital plans / capex assumptions followed a methodology that was consistently applied, defendable, and provided a process for each party to review each other's assumptions. We believe that this process has appropriately captured capital investments, the next most sensitive driver of Relative Value beyond current regulatory assets / rate base.
- Overall, we believe that the range in Relative Values computed on the contributed net operating assets using the Enterprise Value (DCF) approach is the most appropriate range of Relative Values. Further we believe that the range of Relative Values determined based on the Market Multiples approach is supportive of the conclusions reached through our primary approach to value.
- We also believe that this computed range for Relative Value:
  - Captures the true drivers of Relative Value (current regulatory assets / rate base and capital investments);
  - Levelizes any key balance sheet differences as Relative Value is calculated at a net operating asset level, before consideration of redundant assets and debt to separate the impact of these non-operating elements.
- We do recognize, as with any methodology, that its application even when applied in a fair and consistent manner may not achieve results that are optimal to each merge party. As such, some negotiation may be required to reach a final proportionate share capital interest.
- The fair market value of any excess or deficiency of working capital relative to that required to support operations as well as the fair market value of non-operating assets and liabilities have been determined separately and do not impact the relative values as calculated

Valuation Approach

Market Multiples Valuation Approach

- The Market Multiple approach was considered as an appropriate methodology to determine the relative value each of the LDC Group members as stand-alone entities, based upon the following:
    - Represents the relative value of each of the LDC Group members that an acquirer would be willing to pay, incorporating an acquisition premium over the existing book value (rate base).
    - The Market Multiples approach incorporates a cash flow payback analysis over an appropriate period, taking into account possible synergies and other cost and benefits that may accrue to the acquirer through the acquisition.
- The result of the payback analysis is an estimate of relative acquisition premium that the acquirer may be willing to pay and which the acquirer would be able to recover over the payback period.
- The relative acquisition premium is applied on the 2014 Rate Base to determine the total Market Multiple value for each LDC Group member (Regulated Business only).

Appendix B:
Valuation Assumptions

Regulated LDCs

DCF Approach

Relative Value has been calculated using a DCF methodology based on the following key assumptions.

Key Assumption	PowerStream	Enersource	Horizon Utilities
DCF Approach Assumptions			
1. WACC (Post-Tax)	• 5.43%	• 5.88%	• 5.34%
2. Discounting Method	• Mid-year discounting	• Mid-year discounting	• Mid-year discounting
3. Valuation Date	• December 31, 2014	• December 31, 2014	• December 31, 2014
Base Case LDC Model Assumptions			
1. Customer Growth Rates	• Based on customer growth rates provided by PowerStream.	• Based on customer growth rates provided by Enersource.	• Based on customer growth rates provided by Horizon.
2. Rate Resetting Process	• Annual rebasing through Custom IR applications after 2016.	• Annual rebasing through Custom IR applications after 2017.	• Annual rebasing through Custom IR applications after 2015.
3. Cost of Long-Term Debt	• 3.96%	• 5.09%	• 3.77%
4. Cost of Short-Term Debt	• 2.16%	• 2.16%	• 2.16%
5. Cost of Equity	• 9.30%	• 9.30%	• 9.30%
7. Working Capital Allowance	• WCA assumptions normalized to 13% from 2014 to 2016 and 9% from 2017 onwards.	• WCA assumptions normalized to 13% from 2014 to 2016 and 9% from 2017 onwards.	• WCA assumptions normalized to 13% from 2014 to 2016 and 9% from 2017 onwards.
5. Cost of Power (COP)	• COP y-o-y growth rate set to 3.7% for 2015 and normalized to 3% from 2016 onwards.	• COP y-o-y growth rate set to 6.3% for 2015 and normalized to 3% from 2016 onwards.	• COP y-o-y growth rate set to 3.7% for 2015 and normalized to 3% from 2016 onwards.
6. OM&A Inflation Rate	• Based on latest budget with average 25-year OM&A inflation rate of 2.3%.	• Based on latest budget with average 25-year OM&A inflation rate of 2.0%.	• Based on latest budget with average 25-year OM&A inflation rate of 1.7%.
7. Effective Tax Rates	• 25-year average effective tax rate of 9.87% (Set at 12% from Year 6 onwards).	• 25-year average effective tax rate of 12.60% (Set at 12% from Year 6 onwards).	• 25-year average effective tax rate of 13.41% (Set at 12% from Year 6 onwards).
8. Capex Growth Rate	• Based on the latest 25-year capital plan provided by PowerStream.	• Based on the latest 25-year capital plan provided by Enersource.	• Based on the latest 25-year capital plan provided by Horizon.

Regulated LDCs

Market Approach

Relative Value has been calculated using a market multiple methodology based on a payback analysis with the following key assumptions:

- Financing costs on the premium over rate base. Financing structure assumes an amortizing structure with interest paid over the payback period and excess cash flows used to pay down the principal to be zero at Year 10. It is also assumed that the acquirer's balance sheet is sufficient to absorb the principal without negatively impact their debt rating.
- A 1% Over-Earning Potential above the OEB deemed ROE with perpetuity assumed at Year 10.
- Return on Rate Base (RORB) over the payback period reflecting the benefit of undertaking the acquisition on a 100% debt financing basis over the payback period. Rate Base assumption is held constant for 10 years to ensure that the WACC arbitrage only relies at the Rate Base at the time of the acquisition to repay the premium. This assumption ensures that any growth in Rate Base would accrue to the shareholder, which is available regardless of the acquisition.
- No acquisition costs have been considered within the payback analysis - It is assumed that acquisition costs would not materially impact the relative market values of the LDCs.
- Other assumptions are summarized in the table below:

Key Assumption	PowerStream	Enersource	Horizon Utilities
Market Approach Assumptions			
1. WACC (Post-Tax)	• 5.43%	• 5.88%	• 5.34%
2. Net Income (NI) Over-Earn	• 1.00% (Assumed to continue into perpetuity after end of payback period)	• 1.00% (Assumed to continue into perpetuity after end of payback period)	• 1.00% (Assumed to continue into perpetuity after end of payback period)
3. NI Perpetuity Discount Rate	• 6.50%	• 6.50%	• 6.50%
4. Annual OM&A Savings	• 10.00%	• 10.00%	• 10.00%
5. OM&A Savings Period	• 5 Years	• 5 Years	• 5 Years
6. Payback Period	• 10 Years	• 10 Years	• 10 Years
7. Acquirer Cost of Financing	• 4.23% • (Based on a 20 Year A- rated US Corporate Composite bond yield as per Bloomberg)	• 4.23% • (Based on a 20 Year A- rated US Corporate Composite bond yield as per Bloomberg)	• 4.23% • (Based on a 20 Year A- rated US Corporate Composite bond yield as per Bloomberg)

Appendix C:

Unregulated Businesses Analysis

PowerStream Solar

Background and Assumptions

Background

- Approximately 165 projects in Barrie, Markham, Port Perry, and Windsor under the Government of Ontario's feed-in-tariff ("FIT") program.
- 26 MW capacity when all currently contracted projects are complete with most of the projects reaching commercial operation date ("COD") between 2011 and 2015.

No value is ascribed to PowerStream's solar business consistent with the structure and share rights contemplated for the hybrid solar scenario.

Horizon Solar

Background and Assumptions

Background

- 7 projects in Stoney Creek, St. Catherine's, and Hamilton under the Government of Ontario's feed-in-tariff ("FIT") program
- 1.56 MW capacity with most of the projects reaching COD in 2012 and 2013
- Horizon Solar rents rooftop space from building owners and tenants

Valuation Assumptions

Item	Considerations		
Valuation Methodology	• Income Approach | Discounted cash flow methodology		
Cashflow Assumptions	• Discrete cash flow period: duration of FIT contracts, revenue forecast peaks near the start of the contract and decreases due to panel degradation / efficiency • EBITDA margin declines from approximately 80% in 2016 to 75% in 2032		
Discount Rate	• WACC: 5.0% to 6.0% • CSRP: 0.0% • 70% Leverage		
Capital Expenditure	• Additional maintenance is considered in operating expenses		
Redundancies	• Nominal		
		2014	**2015**
Conclusion	• Enterprise Value: • Equity Value:	• $8.0 to $9.1 million • : $5.2 to $6.3 million	• $7.6 to $8.7 million • $4.8 to $5.9 million

- Details of our determination of the of the fair market value of net operating assets (Enterprise Value) and equity of Horizon Solar as at December 31, 2014 and 2015 are provided below with additional information provided in Appendix G.

Notes:
(1) *A terminal growth rate of 2.0% was selected for the unregulated businesses.*
(2) *Differences between 2015 and 2014 values result mainly from rolling forward the models (by not including 2014 cash flows) and market movements underlying the WACC.*

Solar Businesses

Unregulated Solar Entities – MW Multiples

Date	Buyer	Target	Size (MW)	Price (CAD M)	$/MW	Details	Stage
31-Dec-14	TerraForm Power, Inc.	26 MW Generation Solar Power Facility	26	$56M	2.14	• TerraForm Power, Inc. acquired 26 MW of distributed generation solar power plans from SunEdison for $47M US.	Operating at acquisition
2-Oct-14	TransCanada Corporation	William Rutley, Liskeard 3 and Liskeard 4 Solar Plants	30	$182M	6.0x	• As at October 2, 2014, three solar facilities of Canadian Solar Solutions Inc. were acquired by TransCanada Corp.	Operating at acquisition
10-Sep-14	One West Holdings Ltd.	RayLight Project	10	$65M	6.5x	• One West Holdings Ltd. acquired a 10 MW solar plant from One West Holdings Ltd. on October 2, 2014.	n/a
20-Aug-14	BluEarth Renewables Inc.	Good Light Solar Power Plant	10	$66M	6.6x	• Canadian Solar Solutions Inc. acquired a 10 MW solar plant from BlueEarth Renewables on August 20, 2014.	Operating at acquisition
2-Oct-13	TransCanada Corporation	Brockville and Burritts Rapids Projects	86	$470M	5.5x	• Sale of two solar power plants (Brockville 9 MW AC and Burritts Rapids 7.0 MW AC). The two projects are part of the nine solar power plant portfolio totaling 86 MW AC that Canadian Solar Solutions Inc. has agreed to build and sell to TransCanada.	n/a
5-Aug-13	Concord Pacific's green energy affiliate, Concord Green Energy	5 Solar Projects in Ontario	49	$290M	5.9x	• Concord acquired 5 utility-scale solar power plants located in Chesterville, Pefferlaw, Springwater, Sudbury and Wyebridge, Ontario, Canada.	Construction
5-Jun-13	BluEarth Renewables Inc.	4 solar projects in Canada	38.5	$225M	5.8x	• BluEarth acquired 4 utility-scale solar power plants for approximately $225M and the projects are expected to have a capacity of 38.5MW.	Construction

	Average	**36**	**193**	**5.5x**
	Median	**30**	**182**	**5.9x**
	High	**10**	**56**	**6.6x**
	Low	**86**	**470**	**2.1x**

Horizon Solar implied EV / MW of approximately 5.5x

Notes:
Source: Company websites

Unregulated Solar – Horizon Solar

Weighted Average Cost of Capital

The WACC represents a weighted average of the after-tax cost of debt and the implied after-tax cost of equity. The weighting is based on the entity's target debt-equity ratio, measured at market.

We determined the WACC for Horizon's non-regulated solar business to be 5.0% to 6.50 on the basis of the following parameters:

- a market capital structure of 70.0% debt
- a pre-tax cost of debt of 3.6 to 4.6%
- an after-tax cost of equity in the order of 10% to 11%

Item	Key assumptions / considerations
Market debt ratio	After considering debt ratios within the industry, together with our analysis of the debt capacity of Horizon Solar, we have assumed a weighting in the range of 70.0%. Based on discussions with the advisors, we understand that the debt capacity for smaller projects could be as high as 80.0%.
Cost of debt	The after-tax cost of debt is based on a market participant's weighted average borrowing rate and on the long-term corporate bond yields of comparable companies. We have assumed that Horizon Solar's borrowing rate was approximately 3.6% to 4.6% on a pre-tax basis.
Cost of equity	In estimating Horizon Solar's cost of equity, we have considered the Capital Asset Pricing Model (the "CAPM"). The CAPM is a model that describes the expected rate of return on any security or portfolio of securities and is made up of the following components: • a risk-free rate of return (such as the long-term government bond yield) ("Rf") • a general market equity risk premium ("Rm – Rf") • a measure of an industry-specific risk, referred to as the beta • a company specific risk premium, which includes adjustments for considerations of a specific entity's strength, opportunities, weaknesses and threats. The foregoing components of the CAPM are generally placed into the following formula in order to arrive at the estimated cost of equity ("Re"): Re = Rf + [Beta x (Rm – Rf)] + Company Risk Premium

Unregulated Non-Solar Entities

Key Assumptions

Key Assumption	Horizon Energy Solutions		Horizon Unregulated Billing		PowerStream Energy		Enersourcce	
Unregulated Non-Solar Entities								
1. Services Provided	• Metering services • Management services • Billing conservation and demand management program ("CDM") services		• Water and electricity to billing services to the City of Hamilton		• Sub-metering services for electric, water, and gas • System installation / maintenance • Billing and collection		• Construction, design, support, and maintenance of electrical systems for various utilities and private firms	
2. Cash Flow Assumptions[1]	• Discrete cash flow period: 5 years • CAGR: 5.8% (revenues excl. CDM) • Negative EBITDA margins in 2015 (excluding CDM) due to development costs, beyond 2015 margins are ~48.4% in 2016 and ~51.7% in 2019.		• Discrete cash flow period: 5 years • CAGR: 2.4% (revenues) • EBITDA margin increases from 12.6% in 2015 to 13.6% in 2019		• Discrete cash flow period: 6 years • CAGR: 23.4% (revenues) • EBITDA margin increases from 28.4% in 2016 to 51.3% in 2020 • Negative cash flows expected for the first four years of operations		• Discrete cash flow period: 5 years • CAGR: 6.0% (revenues) • EBITDA margin relatively consistent at approximately 6.5%	
4. WACC	• WACC: 10.0% to 11.0% • CSRP: 0.0% to 1.0% • CDM WACC: 6.5% to 7.5%		• WACC: 10.0% to 11.0% • CSRP: 0.0% to 1.0%		• WACC: 10.5% to 11.5% • CSRP: 1.0% to 2.0%		• WACC: 11.5% to 12.5% • CSRP: -1.0% to 0.0% (contracted revenues)	
5. Capital Expenditures	• $5 thousand per year plus growth in forecast, assuming asset replacement every 7-10 years		• Based on forecasts provided by Management, ranges from $0.2 to $0.3 million		• Based on forecasts provided by Management, ranges from $0.4 to $4.5 million. Total of $16 million over next five years.		• Based on forecasts provided by Management, ranges from $0.2 to $0.25 million	
7. Working Capital	• 4.2%, based on comparables		• Nominal as business only provides billing services		• 1.0%, based on comparables		• Based on forecasts provided by Management	
5. Redundancies	• $0.9 million in redundancies		• No adjustments – balance sheet was unavailable (Management has indicated no redundancies)		• Nominal redundancies		• $1.7 million in redundancies / net debt	
6. Unique Aspects	• CDM contract revenues are valued separately as cash flows are less risky (contracted)		• Electricity billings are passed through at cost through management fees		• PESI completed an acquisition ~ valued at cost $4.7 million (amount is depreciated in 2015)		• Most of the revenues are under contracts	
7. Conclusion	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**
Enterprise Value **Equity Value**	• $3.9 million • $4.8 million	• $4.2 million • $5.1 million	• $13.0 million • $13.0 million	• $13.3 million • $13.3 million	• $16.1 million • $11.7 million	• $19.7 million • $15.3 million	• $5.2 million • $3.5 million	• $4.4 million • $2.8 million

Notes:
(1) A terminal growth rate of 2.0% was selected for the unregulated businesses.
(2) Differences between 2015 and 2014 values result mainly from rolling forward the models (by not including 2014 cash flows) and market movements underlying the WACC.

Horizon Energy Solutions
Background and Assumptions

Background

- Metering and Management services
- Conservation and Demand Management ("CDM") program services
- Water and Electricity billing services for the City of Hamilton

Valuation Assumptions

Item	Considerations
Valuation Methodology	• Income Approach | Discounted cash flow methodology • CDM and billing businesses valued separately due to contract term (CDM) and differences in margin and growth (billing)
Cashflow Assumptions	• Discrete cash flow period: 5 years, CAGR of 5.8% for Metering and Management businesses; and 2.4% for Billing business • Metering and Management EBITDA margin is 50% (2016) to 52% (2019); Billing EBITDA of 12.6% (2015) to 13.6% (2019) • CDM program forecast to end in 2015
Discount Rate	• WACC: 10.0% to 11.0% • CSRP: 0.0% to 1.0% • CDM lower discount rate (contracted)
Capital Expenditure	• Capital spending is nominal consistent with the nature of the business
Redundancies	• $0.9 million

		Metering, Management and CDM		Billing – City of Hamilton	
		2014	2015	2014	2015
Conclusion	• Enterprise Value: • Equity Value:	• $3.7 to $4.2 million • $4.6 to $5.0 million(1)	• $3.9 to $4.4 million • $4.8 to $5.3 million(1)	• $12.2 to $13.7 million • $12.2 to $13.7 million	• $12.6 to $14.1 million • $12.6 to $14.1 million

- Details of our determination of the of the fair market value of net operating assets (Enterprise Value) and equity of Horizon Energy Solutions as at December 31, 2014 and 2015 are provided in Appendix G.

Notes:
(1) Reflects inclusion of redundant assets (Cash)

PowerStream Energy Services

Background and Assumptions

Background

- Sub Metering services, electricity, water and gas
- System installation and maintenance
- Billing and collections

Valuation Assumptions

Item	Considerations		
Valuation Methodology	• Income Approach • Discounted cash flow methodology		
Cashflow Assumptions	• Discrete cash flow period: 6 years, revenue CAGR of 23% • EBITDA margin increases from 28% (2016) to 50% (2020) to 52% (2019) • Negative cash flow in next four years due to capital required for growth		
Discount Rate	• WACC: 10.5% to 11.5% • CSRP: 1% to 2% • Leverage: 50%		
Capital Expenditure	• Forecast capital spending totals $16 million over the next 5 years to support / enable forecast growth in operations		
Redundancies	• Nominal		
		2014	**2015**
Conclusion	• Enterprise Value: • Equity Value:	• : $14.8 to $17.3 million • $10.5 to $12.9 million	• $18.3 to $21.0 million • $14.0 to $16.6 million

- Details of our determination of the of the fair market value of net operating assets (Enterprise Value) and equity of PowerStream Energy Services as at December 31, 2014 and 2015 are provided below with additional information provided in Appendix G.

Notes:
(1) A terminal growth rate of 2.0% was selected for the unregulated businesses.
(2) Differences between 2015 and 2014 values result mainly from rolling forward the models (by not including 2014 cash flows) and market movements underlying the WACC.

Enersource Power Services

Background and Assumptions

Background

- Design, construction, support and maintenance of electrical systems for various utilities and private entities in two divisions: Streetlight system design and management and Energy Services

Valuation Assumptions

Item	Considerations		
Valuation Methodology	• Income Approach • Discounted cash flow methodology		
Cashflow Assumptions	• Discrete cash flow period: 5 years, revenue CAGR of 6% • EBITDA margin stable at approximately 6.5% over the forecast period • Majority of revenue is contractual		
Discount Rate	• WACC: 11.5% to 12.5% • CSRP: 0% to -1% (contracted revenue) • Leverage: 50%		
Capital Expenditure	• Forecast capital spending ranges from $0.20 million to $0.25 million over the next 5 years		
Redundancies	• $1.7 million of net debt		
		2014	**2015[1]**
Conclusion	• Enterprise Value: • Equity Value:	• $5.0 to $5.4 million • $3.3 to $3.7 million	• $4.2 to $4.6 million • $2.6 to $3.0 million

- Details of our determination of the of the fair market value of net operating assets (Enterprise Value) and equity of Enersource Power Services as at December 31, 2014 and 2015 are provided in Appendix G.

Notes:
(1) Reduction in value from 2014 to 2015 based on excess working capital captured in 2015 year

Appendices D to F:

Scope, Restrictions and Limitations

Appendix D: Scope of Review

Regulated Businesses

As part of our scope, we conducted and reviewed the following:

- Discussions with Management of Enersource Hydro Mississauga (“Enersource”), Horizon Utilities Corporation (“Horizon”), and PowerStream Inc. (“PowerStream”) (collectively the “LDC Group”);
- Historical audited and unaudited financial statements for Enersource, Enersource Corporation, Horizon (with MIFRS adjustments), PowerStream (including MIFRS statements), and PowerStream Holdings Inc. for fiscal year end 2011 to 2014;
- Latest Cost of Service (“COS”) application information and rate orders for the LDC Group;
- Latest management approved budgets for the LDC Group;
- Provided information request lists to each member of the LDC Group to collect relevant information and documents for the regulated businesses;
- Developed a comprehensive financial model for the relative valuation of the LDC Group (“Relative Valuation Model”) based on the OEB regulatory structure over a 25-year discrete forecast period to cater to each of the LDCs’ specific objectives, growth strategies, regulatory structure and capital structure;
- Forecast long-term capital plans for PowerStream, Enersource, and Horizon;
- Other industry, financial and market information and analyses considered by Deloitte to be necessary or appropriate in the circumstances; and
- [OUTSTANDING] Letter of representation obtained from Management wherein they confirmed certain representations and warranties made to us, including a general representation that they have no information or knowledge of any facts or material information not specifically noted in this report which, in their view, would reasonably be expected to affect the valuation conclusions expressed herein.

We note that we have not audited or otherwise verified the information noted above.

Appendix D: Scope of Review

Unregulated Businesses

As part of our scope, we conducted and reviewed the following:

- Discussions with Management;
- Financial projections for Enersource Power Services Inc., Horizon Energy Solutions Inc., and for Horizon unregulated billing services for the fiscal year end 2015 to 2019;
- Financial projections for PowerStream Energy Services Inc. for the fiscal year end 2015 to 2020;
- Financial projections for Horizon solar for the fiscal year end 2015 to 2034;
- Balance sheets for Enersource Power Services, Inc., Power Stream Energy Services Inc., Horizon Energy Solutions Inc., Power Stream Solar, and Horizon Solar for the year ended December 31, 2014;
- Research on the industry and guideline precedent transactions;
- Other industry, financial and market information and analyses considered by Deloitte to be necessary or appropriate in the circumstances; and
- [OUTSTANDING] Letter of representation obtained from Management wherein they confirmed certain representations and warranties made to us, including a general representation that they have no information or knowledge of any facts or material information not specifically noted in this report which, in their view, would reasonably be expected to affect the valuation conclusions expressed herein.

We note that we have not audited or otherwise verified the information noted above.

Appendix E: Restrictions and Limitations

In accordance with our engagement letter effective May 21, 2014, the Valuation has been prepared solely for the use of each of PowerStream, Enersource and Horizon (the "LDCs"). While this report is not intended for general circulation, it may be provided, on a non-reliance basis to each of the LDC Group's financial advisors.

Deloitte has relied upon the completeness, accuracy, and fair presentation of all the financial and other information, data, advice, opinions or representations obtained by it from the LDCs and through materials obtained in the public domain (collectively, the "Information"). The Valuation is conditional upon the completeness, accuracy, and fair presentation of such Information. Deloitte has not attempted to verify independently the completeness, accuracy or fair presentation of the Information.

Each of the LDCs have represented and warranted to us that, other than as specifically disclosed to us in writing or as contemplated in published financial statements, all information concerning the LDCs provided to us, directly or indirectly, orally or in writing, by the LDCs and/or their agents in connection with our engagement hereunder:

- Was in the case of all historical financial information concerning the LDCs, at the date of preparation, presented completely and fairly in all material respects; and
- Was with respect to any portion of the projections: (a) prepared on a basis reasonably consistent with accounting policies, (b) prepared using reasonable assumptions, and (c) the senior officers of each of the LDCs have no reason to believe are misleading in any material respect.

No opinion, counsel, or interpretation is intended in matters that require legal or other appropriate professional advice. It is assumed that such opinion, counsel, or interpretations have been or will be obtained from the appropriate professional sources. To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Deloitte assumes no responsibility therefore, and assumes, in connection with such matters, other than as specifically disclosed to us, that:

1) the title to all such assets, properties, or business interests purportedly owned by the LDCs is good and marketable, and there are no adverse interests, encumbrances, engineering, environmental, zoning, planning or related issues associated with these interests, and that the subject assets, properties, or business interests are free and clear of any and all liens, encumbrances or encroachments;
2) there is full compliance with all applicable federal, local, and national regulations and laws, as well as the policies of all applicable regulators, and that all required licences, rights, consents, or legislative or administrative authority from any federal, local, or national government, private entity, regulatory agency or organization have been or can be obtained or renewed for the operation of the businesses of the LDC Group; and
3) there are no material legal proceedings regarding the business, assets, or affairs of the LDC Group.

We have relied upon Management's representation that all assets and liabilities (actual or contingent) attributed to the LDCs have been fully disclosed to us.

Appendix E: Restrictions and Limitations

The Valuation is rendered on the basis of securities markets, economic, financial, and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of regulated and unregulated businesses of Powerstream, Enersource and Horizon as they were reflected in the Information and as they have been represented to us in discussions with management of each entity. In the analyses and in preparing the valuation, we made numerous assumptions with respect to industry performance, general business, and economic conditions and other matters, many of which are beyond our control, including inflation and exchange rates.

This Valuation is not intended for general circulation or publication, nor is it to be reproduced or used for any purpose other than that outlined above without our express prior written consent in each specific instance. We do not assume any responsibility or liability for losses incurred by any party as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph but may be provided to the LDC Group's advisors on a non-reliance basis.

The Valuation report was prepared as of June 27, 2015 and we disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting the valuation, which may come or be brought to our attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the valuation after the date hereof, we reserve the right to change, modify or withdraw the valuation.

We believe that the Valuation must be considered as a whole and that selecting portions of the analyses or the factors considered by us, without considering all factors and analyses together, could create a misleading view of the process underlying the valuation. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Appendix F: Major Assumptions

In arriving at our value conclusion, we have relied upon the following additional major assumptions:

- All historical financial information concerning the regulated and unregulated businesses, as at the Valuation Date, was presented completely and fairly in all material respects;
- All assets, liabilities, revenues, and expenses of the entities were recorded in accordance with generally accepted accounting principles (“GAAP”), in their respective financial statements;
- The balance sheet as at December 31, 2014 for each of the entities is assumed to accurately reflect the financial position as at the Valuation Date, unless otherwise noted herein;
- The forecast prepared by Management reflects Management’s best estimate of the most likely future operating results for the regulated and unregulated businesses;
- The entities had no material unusual or non-recurring expense or revenue items during the period reviewed, other than as noted herein;
- There were no significant non-arm’s length transactions during the period under review which took place at other than fair value, other than those noted herein;
- At the Valuation Date, the entities had no material contingent liabilities, known environmental issues, unusual contractual obligations, litigation pending or threatened, or substantial commitments other than as disclosed in this report;
- The fair value of the assets and liabilities of regulated and unregulated businesses as at the Valuation Date were approximated by their reported book values, except where noted herein; and,
- Other specific assumptions as set out in the body of our report or in the schedules and appendices;

Should any of the above major assumptions not be accurate or should any of the information provided to us not be factual or correct, our value conclusion could be significantly different.

Appendix G:

Schedules - Unregulated Businesses

Schedule 1A: Horizon Solar

2014 Valuation Summary

Site	Contract end date	Years until end	Revenues 2015	EBITDA 2015	Capacity in KW (DC)	Enterprise value (Low)	Enterprise value (Midpint)	Enterprise value (High)	EV/Capacity (per KW)	EV/Capacity (per MW)	EV/EBITDA 2015
	[F1]		[F2]	[F2]	[F1]						
Horizon Utilities - 703 Hwy. #8, Stoney Creek	08/29/2032	17.4	$ 88,663.90	$ 62,373	120	$ 447,827	$ 478,691	$ 513,125	$ 3,999	$ 4.00	7.7x
RCD 144 Chatham Street Hamilton	07/13/2033	18.3	$ 249,310.48	$ 204,252	299	$ 1,800,601	$ 1,920,329	$ 2,054,194	$ 6,417	$ 6.42	9.4x
Stoney Creek Furniture, 360 Lewis Rd, Stoney Creek	12/21/2032	17.7	$ 198,052.25	$ 153,063	239	$ 1,183,171	$ 1,264,381	$ 1,355,118	$ 5,281	$ 5.28	8.3x
Stoney Creek Furniture, 410 Lewis Rd, Stoney Creek	12/21/2032	17.7	$ 196,213.79	$ 151,225	239	$ 1,168,979	$ 1,249,173	$ 1,338,773	$ 5,218	$ 5.22	8.3x
Horizon Utilities - 450 Nebo Road, Hamilton	10/23/2032	17.6	$ 181,673.24	$ 146,204	239	$ 1,128,614	$ 1,205,490	$ 1,291,321	$ 5,035	$ 5.04	8.2x
Horizon Utilities - Vansickle Rd., St. Catharines	12/21/2032	17.7	$ 99,527.52	$ 73,236	120	$ 577,822	$ 615,974	$ 658,561	$ 5,146	$ 5.15	8.4x
City of Hamilton - Wentworth St. Ops. Centre	10/29/2033	18.6	$ 251,067.96	$ 208,510	299	$ 1,650,787	$ 1,770,789	$ 1,905,622	$ 5,917	$ 5.92	8.5x
Total			**$ 1,264,509.13**	**$ 998,863**	**1,556**	**$ 7,957,801**	**$ 8,504,827**	**$ 9,116,714**	**$ 5,465**	**$ 5.47**	**8.5x**
Horizon total unlevered				**$ 998,863**	**1,556**	**$ 7,941,294**	**$ 8,485,907**	**$ 9,094,959**	**$ 5,453**	**$ 5.45**	**8.5x**
Add: Redundant Assets						**$ 11,000**	**$ 11,000**	**$ 11,000**			
Less: Bank indebtedness						**$ (2,802,000)**	**$ (2,802,000)**	**$ (2,802,000)**			
Horizon Equity Value						**$ 5,150,294**	**$ 5,694,907**	**$ 6,303,959**			

Notes:

[F1] Source: Provided by management in Confidential Information Memorandum

[F2] Fiscal year 2015

[F3] Tax shield on fixed assets is included in the cash flows of the discounted cash flow.

Schedule 1B: Horizon Solar

2014 Valuation Summary

Ticker	Guideline Companies	Total Book Value of Debt	Total Book Value of Preferred	Total Market Value of Equity	Total Market Value of Capital	Debt to Capital	Equity to Capital	Historical Effective Tax Rate 5-Yr. Avg	Levered Equity Beta 5-YR	Historical Debt to Capital 5-YR	Unlevered Equity Beta
Reporting currency, in millions		[F1]	[F1]	[F2]					[F3]		
TSX:AQN	Algonquin Power & Utilities Corp.	$ 1,158	$ 185	$ 1,982	$ 3,325	34.8%	65.2%	19.1%	0.76	39%	0.50
TSX:AXY	Alterra Power Corp.	$ 291	$ -	$ 132	$ 423	68.9%	31.1%	0.0%	1.00	59%	0.41
TSX: BLX	Boralex Inc.	$ 1,260	$ -	$ 426	$ 1,686	74.7%	25.3%	0.0%	0.71	71%	0.20
TSX: BEP.UN	Brookfield Renewable Energy Partners LP	$ 7,678	$ -	$ 8,463	$ 16,141	47.6%	52.4%	4.7%	0.61	56%	0.28
TSX: CSE	Capstone Infrastructure Corporation	$ 1,069	$ 62	$ 267	$ 1,398	76.4%	23.6%	17.6%	0.65	67%	0.24
TSX: EMA	Emera Incorporated	$ 3,466	$ 613	$ 4,774	$ 8,853	39.2%	60.8%	14.5%	0.71	44%	0.42
TSX:TA	TransAlta Corp.	$ 3,502	$ 813	$ 2,499	$ 6,815	51.4%	48.6%	11.5%	0.75	47%	0.41
CPSE:GES	Greentech Energy Systems A/S	$ 237	$ -	$ 120	$ 357	66.3%	33.7%	19.2%	0.43	68%	0.16
XTRA:PNE3	PNE Wind AG	$ 227	$ -	$ 186	$ 413	54.9%	45.1%	0.0%	0.80	52%	0.38
TSX:CPX	Capital Power Corporation	$ 1,374	$ 401	$ 1,873	$ 3,648	37.7%	62.3%	29.0%	0.63	49%	0.37
TSX:ETX	Etrion Corporation	$ 581	$ -	$ 101	$ 682	85.2%	14.8%	0.0%	0.85	81%	0.16

	Debt to Capital	Equity to Capital	Historical Effective Tax Rate 5-Yr. Avg	Levered Equity Beta 5-YR	Historical Debt to Capital 5-YR	Unlevered Equity Beta
Average	57.9%	42.1%	10.5%	71.7%	57.8%	32.1%
Median	54.9%	45.1%	11.5%	71.0%	56.0%	37.2%
Selected	**57.8%**	**42.2%**				**0.32**

		Low	High
Unlevered Equity Beta	[F4]	0.31	0.34
Debt-to-Equity		233.3%	233.3%
Selected Subject Tax Rate	[F5]	26.50%	26.50%
Relevered Equity Beta	[F6]	**0.83**	**0.92**
Risk Free Rate	[F7]	2.47%	2.47%
Equity Risk Premium	[F8]	6.50%	6.50%
Levered Equity Beta		0.83	0.92
Cost of Equity Capital	[F9]	**7.86%**	**8.43%**
Company Specific Risk Premium			
Size Premium	[F10]	2.81%	2.81%
Company Specific Risk	[F11]	0.00%	0.00%
Country Adjustment Factor		-0.20%	-0.20%
Subject's Cost of Equity Capital		**10.47%**	**11.04%**
Subject's Estimated Pre-Tax Cost of Debt Capital	[F12]	3.6%	4.6%
Tax Rate		26.50%	26.50%
After-Tax Cost of Debt		**2.62%**	**3.39%**
Debt-to-Capital (at market values)	[F13]	70.0%	70.0%
Equity-to-Capital (at market values)		30.0%	30.0%
Weighted Average Cost of Capital	[F14]	**4.98%**	**5.68%**
Weighted average cost of capital, rounded		**5.0%**	**6.0%**

Schedule 1C: Horizon Solar

2015 Valuation Summary

Site	Contract end date	Years until end	Revenues 2015	EBITDA 2015	Capacity in KW (DC)	Enterprise value (Low)	Enterprise value (Midpint)	Enterprise value (High)	EV/Capacity (per KW)	EV/Capacity (per MW)	EV/EBITDA 2015
	[F1]		[F2]	[F2]	[F1]						
Horizon Utilities - 703 Hwy. #8, Stoney Creek	08/29/2032	17.4	$ 88,663.90	$ 62,373	120	$ 460,578	$ 489,731	$ 522,105	$ 4,091	$ 4.09	7.9x
RCD 144 Chatham Street Hamilton	07/13/2033	18.3	$ 249,310.48	$ 204,252	299	$ 1,698,346	$ 1,807,049	$ 1,928,065	$ 6,039	$ 6.04	8.8x
Stoney Creek Furniture, 360 Lewis Rd, Stoney Creek	12/21/2032	17.7	$ 198,052.25	$ 153,063	239	$ 1,130,091	$ 1,205,923	$ 1,290,339	$ 5,037	$ 5.04	7.9x
Stoney Creek Furniture, 410 Lewis Rd, Stoney Creek	12/21/2032	17.7	$ 196,213.79	$ 151,225	239	$ 1,116,303	$ 1,191,182	$ 1,274,537	$ 4,976	$ 4.98	7.9x
Horizon Utilities - 450 Nebo Road, Hamilton	10/23/2032	17.6	$ 181,673.24	$ 146,204	239	$ 1,076,968	$ 1,148,696	$ 1,228,483	$ 4,798	$ 4.80	7.9x
Horizon Utilities - Vansickle Rd., St. Catharines	12/21/2032	17.7	$ 99,527.52	$ 73,236	120	$ 547,352	$ 582,836	$ 622,312	$ 4,869	$ 4.87	8.0x
City of Hamilton - Wentworth St. Ops. Centre	10/29/2033	18.6	$ 251,067.96	$ 208,510	299	$ 1,586,252	$ 1,698,968	$ 1,825,144	$ 5,677	$ 5.68	8.1x
Total			**$ 1,264,509.13**	**$ 998,863**	**1,556**	**$ 7,615,891**	**$ 8,124,387**	**$ 8,690,986**	**$ 5,221**	**$ 5.22**	**8.1x**
Horizon total unlevered				**$ 998,863**	**1,556**	**$ 7,607,913**	**$ 8,115,046**	**$ 8,680,031**	**$ 5,215**	**$ 5.21**	**8.1x**
Add: Redundant Assets							**$ 11,000**				
Less: Bank indebtedness							**$ (2,802,000)**				
Horizon Equity Value							**$ 5,324,046**				

Notes:

[F1] Source: Provided by management in Confidential Information Memorandum

[F2] Fiscal year 2015

Schedule 1D: Horizon Solar
2015 Valuation Summary

Ticker	Guideline Companies	Total Book Value of Debt [F1]	Total Book Value of Preferred [F1]	Total Market Value of Equity [F2]	Total Market Value of Capital	Debt to Capital	Equity to Capital	Historical Effective Tax Rate 5-Yr. Avg	Levered Equity Beta 5-YR [F3]	Historical Debt to Capital 5-YR	Unlevered Equity Beta
Reporting currency, in millions											
TSX:AQN	Algonquin Power & Utilities Corp.	$ 1,158	$ 185	$ 1,766	$ 3,108	37.3%	62.7%	20.9%	0.78	39%	0.51
TSX:AXY	Alterra Power Corp.	$ 291	$ -	$ 130	$ 421	69.2%	30.8%	26.5%	0.99	60%	0.47
TSX: BLX	Boralex Inc.	$ 1,260	$ -	$ 503	$ 1,763	71.5%	28.5%	26.5%	0.69	69%	0.26
TSX: BEP.UN	Brookfield Renewable Energy Partners LP	$ 7,678	$ -	$ 8,625	$ 16,303	47.1%	52.9%	2.7%	0.57	45%	0.32
TSX: CSE	Capstone Infrastructure Corporation	$ 1,069	$ 62	$ 272	$ 1,403	76.2%	23.8%	19.3%	0.64	66%	0.25
TSX: EMA	Emera Incorporated	$ 3,466	$ 613	$ 4,680	$ 8,759	39.6%	60.4%	14.6%	0.69	43%	0.42
TSX:TA	TransAlta Corp.	$ 3,502	$ 813	$ 2,570	$ 6,886	50.9%	49.1%	14.6%	0.70	48%	0.39
CPSE:GES	Greentech Energy Systems A/S	$ 237	$ -	$ 119	$ 356	66.6%	33.4%	26.5%	0.38	69%	0.14
XTRA:PNE3	PNE Wind AG	$ 227	$ -	$ 176	$ 403	56.2%	43.8%	0.0%	0.81	49%	0.41
TSX:CPX	Capital Power Corporation	$ 1,374	$ 401	$ 1,624	$ 3,398	40.4%	59.6%	31.4%	0.62	49%	0.37
TSX:ETX	Etrion Corporation	$ 581	$ -	$ 113	$ 694	83.7%	16.3%	0.0%	0.86	79%	0.18
					Selected	60.0%	40.0%				0.34

		Low	High
Unlevered Equity Beta	[F4]	0.32	0.36
Debt-to-Equity		233.3%	233.3%
Selected Subject Tax Rate	[F5]	26.50%	26.50%
Relevered Equity Beta	[F6]	**0.88**	**0.97**
Risk Free Rate	[F7]	2.29%	2.29%
Equity Risk Premium	[F8]	6.75%	6.75%
Levered Equity Beta		0.88	0.97
Cost of Equity Capital	[F9]	**8.21%**	**8.84%**
Company Specific Risk Premium			
Size Premium	[F10]	2.81%	2.81%
Company Specific Risk	[F11]	0.00%	0.00%
Country Adjustment Factor		-0.20%	-0.20%
Subject's Cost of Equity Capital		**10.82%**	**11.45%**
Subject's Estimated Pre-Tax Cost of Debt Capital	[F12]	3.6%	4.6%
Tax Rate		26.50%	26.50%
After-Tax Cost of Debt		**2.62%**	**3.39%**
Debt-to-Capital (at market values)	[F13]	70.0%	70.0%
Equity-to-Capital (at market values)		30.0%	30.0%
Weighted Average Cost of Capital	[F14]	**5.08%**	**5.81%**
Weighted average cost of capital, rounded		**5.0%**	**6.0%**

Schedule 2A: PowerStream Energy Services

2014 Valuation Summary

As of December 31, 2014 CAD 000'S	Low	High
DCF - Enterprise Value	10,147	12,620
DCF - Equity Value	5,776	8,249
Add: December 31, 2014 Acquisition	4,700	4,700
Enterprise Value, Rounded Valuation Conclusion	**16,100**	
Equity Value, Rounded Valuation Conclusion	**11,700**	

Schedule 2B: PowerStream Energy Services

2014 Discounted Cash Flow Summary

CAD 000'S	Notes		2014B	2015F	2016F	2017F	2018F	2019F	2020F	Terminal
			For the year ended December,							
			Historical results	Forecast operating results						
Revenue	[1]		695	1,976	3,696	5,139	5,990	6,639	6,851	6,988
Year-over-year growth			*NM*	*184.4%*	*87.0%*	*39.0%*	*16.6%*	*10.8%*	*3.2%*	*2.0%*
Operating costs			2,122	2,326	2,645	2,957	3,195	3,374	3,339	3,406
EBITDA			(1,427)	(350)	1,051	2,182	2,795	3,265	3,511	3,581
% of revenue			*-205.4%*	*-17.7%*	*28.4%*	*42.5%*	*46.7%*	*49.2%*	*51.3%*	*51.3%*
Less: Taxes				-	154	578	741	865	930	949
% of EBITDA	[2]			*0.0%*	*14.6%*	*26.5%*	*26.5%*	*26.5%*	*26.5%*	*26.5%*
After-tax cash flow				(350)	897	1,604	2,055	2,400	2,581	2,632
High										
Cash flow adjustments										
Capital expenditures	[3]			(2,361)	(3,118)	(4,475)	(3,423)	(2,619)	(364)	(371)
Tax shield on capital expenditures	[4]			391	516	741	567	433	60	61
(Increase) / Decrease in working capital	[5]			(13)	(18)	(15)	(9)	(7)	(2)	(1)
				(1,983)	(2,620)	(3,749)	(2,865)	(2,192)	(306)	(311)
Free Cash Flows after adjustments				(2,334)	(1,722)	(2,145)	(811)	208	2,275	2,321
Terminal Value	[6]	2.0%								27,310
Free Cash Flows				(2,334)	(1,722)	(2,145)	(811)	208	2,275	27,310
Percent of year remaining				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting				0.50	1.50	2.50	3.50	4.50	5.50	5.50
Present value factor @		10.50%		0.9513	0.8609	0.7791	0.7051	0.6381	0.5774	0.5774
Present value of cash flows				**(2,220)**	**(1,483)**	**(1,671)**	**(572)**	**132**	**1,314**	**15,770**
Low										
Cash flow adjustments										
Capital expenditures	[3]			(2,361)	(3,118)	(4,475)	(3,423)	(2,619)	(364)	(371)
Tax shield on capital expenditures	[4]			377	498	714	546	418	58	59
(Increase) / Decrease in working capital	[5]			(13)	(18)	(15)	(9)	(7)	(2)	(1)
				(1,997)	(2,638)	(3,776)	(2,886)	(2,208)	(308)	(313)
Free Cash Flows after adjustments				(2,348)	(1,741)	(2,172)	(831)	192	2,273	2,319
Terminal Value	[6]	2.0%								24,412
Free Cash Flows				(2,348)	(1,741)	(2,172)	(831)	192	2,273	24,412
Percent of year remaining				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting				0.50	1.50	2.50	3.50	4.50	5.50	5.50
Present value factor @		11.50%		0.9470	0.8494	0.7618	0.6832	0.6127	0.5495	0.5495
Present value of cash flows				**(2,223)**	**(1,478)**	**(1,654)**	**(568)**	**118**	**1,249**	**13,415**

Conclusion

		Low	High
Present value of cash flows		8,858	11,270
Add: Present value of tax benefit from tangible assets	[7]	1,147	1,199
Add: Present value of tax benefit from intangible assets	[7]	142	150
Business enterprise value		10,147	12,620
Redundant assets		614	614
Add/(less): Excess/(deficiency) in net working capital	[8]	(552)	(552)
Less: Debt		(4,432)	(4,432)
Equity value		5,776	8,249
Equity value, rounded		5,800	8,200

Notes

[1] Based on information provided by Management. We have not updated or otherwise verified this information.

[2] Tax rates are based on the enacted tax rates for Ontario as of the Valuation Date. Taxes in 2016 are reduced by the tax carryforward from the loss in 2015.

[3] Annual capital expenditures are based on forecasts provided by Management.

[4] The tax shield on sustaining capital expenditures has an estimated CCA rate of 20%.

[5] Normalized working capital is based on comparable company analysis.

[6] Terminal growth rate is estimated based on the EIU's estimate of inflation as of the Valuation Date.

[7] Tax shield on fixed assets was calculated based on a CCA rate of 20% and the book value of PPE balance provided by management. Tax shield on intangible assets was calculated based on the book value of intangible asset balance using an amortization rate of 7.0%

[8] Excess / deficient working capital is calculated as:

Actual Working Capital	(545)
Normalized Working Capital	7
Excess / Deficient Working Capital	(552)

Schedule 2C: PowerStream Energy Services

2014 Projected Operating Results

	As at December 31,						
CAD 000'S	2014	2015	2016	2017	2018	2019	2020
	[1]	[1]	[1]	[1]	[1]	[1]	[1]
Revenue	695	1,976	3,696	5,139	5,990	6,639	6,851
Year-over-year growth	*NM*	*184.4%*	*87.0%*	*39.0%*	*16.6%*	*10.8%*	*3.2%*
Operating costs	(2,122)	(2,326)	(2,645)	(2,957)	(3,195)	(3,374)	(3,339)
EBITDA	**(1,427)**	**(350)**	**1,051**	**2,182**	**2,795**	**3,265**	**3,511**
Year-over-year growth							

Notes:

[1] Based on forecasts provided by Management.

Schedule 2D: PowerStream Energy Services

2014 Statement of Financial Position

CAD 000'S	As at December 31, 2014
	[F1]
Assets	
Cash and cash equivalents	614
Accounts receivable	997
Unbilled revenue	577
Prepaids and other	7,103
Current assets	**9,290**
Non-current assets	
Property, plant and equipment	2,947
Construction Deposits	3,009
Intangibles	1,417
Deferred Tax Assets	406
Total Assets	**17,069**
Liabilities	
Accounts payable and accrued liabilities	2,119
Customers' Deposit	193
Due to related parties	3,844
Contract Holdbacks	395
Total Liabilities	**6,551**
Share capital	11,999
Retained earnings	(1,481)
Total shareholder's equity	**10,518**
Total liabilities and shareholder's equity	**17,069**

Notes:

[1] Based on information provided by Management.

Schedule 2E: PowerStream Energy Services

2014 Historical Weighted Average Cost of Capital

As at December 31, 2014 Ticker	Guideline Companies	Total Book Value of Debt	Total Book Value of Preferred	Total Market Value of Equity	Total Market Value of Capital	Debt to Capital	Equity to Capital	Historical Effective Tax Rate 5-Yr. Avg	Levered Equity Beta 5-YR	Historical Debt to Capital 5-YR	Unlevered Equity Beta
		[F1]	[F1]	[F2]							
NZSE:CEN	Contact Energy Ltd.	1,049	-	3,653	4,702	22.3%	77.7%	26.7%	0.97	26.2%	0.77
MICEX:MRKP	Interregional Distribution Grid Company	437	-	177	615	71.1%	28.9%	25.7%	0.89	58.3%	0.44
PSE:MER	Manila Electric Co.	671	-	6,441	7,111	9.4%	90.6%	29.7%	0.98	8.7%	0.92
LSE:MRO	Melrose Industries PLC	891	-	4,457	5,348	16.7%	83.3%	68.8%	1.22	21.0%	1.12
										Selected	**0.81**

		Low	High
Unlevered Equity Beta	[F3]	0.77	0.85
Debt-to-Equity		100.0%	100.0%
Selected Subject Tax Rate	[F4]	26.5%	26.5%
Relevered Equity Beta	[F5]	**1.34**	**1.48**
Risk Free Rate	[F6]	2.47%	2.47%
Equity Risk Premium	[F7]	6.50%	6.50%
Levered Equity Beta		1.34	1.48
Cost of Equity Capital	[F8]	**11.18%**	**12.10%**
Company Specific Risk Premium			
Size Premium	[F9]	3.87%	3.87%
Company Specific Risk	[F10]	1.00%	2.00%
Country adjustment factor		-0.20%	-0.20%
Subject's Cost of Equity Capital		**15.85%**	**17.77%**
Subject's Estimated Pre-Tax Cost of Debt Capital	[F11]	7.0%	7.0%
Tax Rate	[F12]	26.5%	26.5%
After-Tax Cost of Debt		**5.15%**	**5.15%**
Debt-to-Capital	[F13]	50.0%	50.0%
Equity-to-Capital		50.0%	50.0%
Weighted Average Cost of Capital	[F14]	**10.50%**	**11.46%**
Weighted average cost of capital, rounded		**10.50%**	**11.50%**

Notes

[F1] Book value of debt used as an approximation of market value. For purposes of calculating capital structure preferred equity, if any, was added to debt at book value.

[F2] Represents current stock price times common shares outstanding.

[F3] Unlevered Equity Beta = Levered Equity Beta / [1 + (1 - Tax Rate) x Debt-to-Equity].

[F4] Based on enacted statutory rates in Ontario.

[F5] Levered Equity Beta = Unlevered Equity Beta x [1 + (1 - Tax Rate) x Debt-to-Equity].

[F6] 20 year U.S. Treasury Constant Maturity Yields as of the Valuation Date. Source: U.S. Federal Reserve.

[F7] Based on Deloitte resources.

[F8] Cost of Equity Capital = Risk Free Rate + [Equity Beta x Equity Risk Premium].

[F9] Based on the appropriate size premium from the Duffs and Phelps 2014 Cost of Capital Report.

[F10] Risk premium based on qualitative factors that reflect risks inherent in cash flows.

[F11] Based on the cost of debt for BB corporate bonds.

[F12] Based on enacted statutory rates in Ontario.

[F13] Based on comparables and estimated debt capacity of the Company.

[F14] WACC = [(Debt-to-Capital x Cost of Debt x (1 - Tax Rate)] + [Equity-to-Capital X Cost of Equity Capital].

Schedule 2F: PowerStream Energy Services

2015 Valuation Summary

As of December 31, 2015 CAD 000'S	Low	High
DCF - Enterprise Value	16,480	13,876
DCF - Equity Value	12,103	9,499
Add: December 31, 2014 Acquisition	4,512	4,512
Enterprise Value, Rounded Valuation Conclusion	**19,700**	
Equity Value, Rounded Valuation Conclusion	**15,300**	

Schedule 2G: PowerStream Energy Services

2015 Discounted Cash Flow Summary

CAD 000'S	Notes		2016F	2017F	2018F	2019F	2020F	Terminal
			For the year ended December,					
			Forecast operating results					
Revenue	[1]		3,696	5,139	5,990	6,639	6,851	6,988
Year-over-year growth			*87.0%*	*39.0%*	*16.6%*	*10.8%*	*3.2%*	*2.0%*
Operating costs			2,645	2,957	3,195	3,374	3,339	3,406
EBITDA			1,051	2,182	2,795	3,265	3,511	3,581
% of revenue			*28.4%*	*42.5%*	*46.7%*	*49.2%*	*51.3%*	*51.3%*
Less: Taxes			154	578	741	865	930	949
% of EBITDA	[2]		*14.6%*	*26.5%*	*26.5%*	*26.5%*	*26.5%*	*26.5%*
After-tax cash flow			897	1,604	2,055	2,400	2,581	2,632
High								
Cash flow adjustments								
Capital expenditures	[3]		(3,118)	(4,475)	(3,423)	(2,619)	(376)	(383)
Tax shield on capital expenditures	[4]		498	714	546	418	60	61
(Increase) / Decrease in working capital	[5]		(12)	(10)	(6)	(4)	(1)	(1)
			(2,632)	(3,771)	(2,883)	(2,205)	(317)	(323)
Free Cash Flows after adjustments			(1,734)	(2,167)	(828)	194	2,263	2,309
Terminal Value	[6]	2.0%						24,307
Free Cash Flows			(1,734)	(2,167)	(828)	194	2,263	24,307
Percent of year remaining			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting			0.50	1.50	2.50	3.50	4.50	4.50
Present value factor @		11.50%	0.9470	0.8494	0.7618	0.6832	0.6127	0.6127
Present value of cash flows			**(1,643)**	**(1,840)**	**(631)**	**133**	**1,387**	**14,894**
Low								
Cash flow adjustments								
Capital expenditures	[3]		(3,118)	(4,475)	(3,423)	(2,619)	(376)	(383)
Tax shield on capital expenditures	[4]		516	741	567	433	62	63
(Increase) / Decrease in working capital	[5]		(12)	(10)	(6)	(4)	(1)	(1)
			(2,613)	(3,744)	(2,862)	(2,190)	(315)	(321)
Free Cash Flows after adjustments			(1,716)	(2,140)	(808)	210	2,266	2,311
Terminal Value	[6]	2.0%						27,194
Free Cash Flows			(1,716)	(2,140)	(808)	210	2,266	27,194
Percent of year remaining			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting			0.50	1.50	2.50	3.50	4.50	4.50
Present value factor @		10.50%	0.9513	0.8609	0.7791	0.7051	0.6381	0.6381
Present value of cash flows			**(1,632)**	**(1,842)**	**(629)**	**148**	**1,446**	**17,352**

Conclusion

		Low	High
Present value of cash flows		14,841	12,300
Add: Present value of tax benefit from tangible assets	[7]	1,489	1,434
Add: Present value of tax benefit from intangible assets	[7]	150	142
Business enterprise value		16,480	13,876
Redundant assets		614	614
Add/(less): Excess/(deficiency) in net working capital	[8]	(559)	(559)
Less: Debt		(4,432)	(4,432)
Equity value		12,103	9,499
Equity value, rounded		12,100	9,500

Notes

[1] Based on information provided by Management.

[2] Tax rates are based on the enacted tax rates for Ontario as of the Valuation Date. Taxes in 2016 are reduced by the tax carryforward from the loss in 2015.

[3] Annual capital expenditures are based on forecasts provided by Management.

[4] The tax shield on sustaining capital expenditures has an estimated CCA rate of 20%.

[5] Normalized working capital is based on comparable company analysis.

[6] Terminal growth rate is estimated based on the EIU's estimate of inflation as of the Valuation Date.

[7] Tax shield on fixed assets was calculated based on a CCA rate of 20% and the book value of PPE balance provided by management. Tax shield on intangible assets was calculated based on the book value of intangible asset balance using an amortization rate of 7.0%

[8] Excess / deficient working capital is calculated as:

Actual Working Capital	(545)
Normalized Working Capital	13
Excess / Deficient Working Capital	(559)

Schedule 2H: PowerStream Energy Services

2015 Projected Operating Results

	As at December 31,						
CAD 000'S	2014	2015	2016	2017	2018	2019	2020
	[1]	[1]	[1]	[1]	[1]	[1]	[1]
Revenue	695	1,976	3,696	5,139	5,990	6,639	6,851
Year-over-year growth	*NM*	*184.4%*	*87.0%*	*39.0%*	*16.6%*	*10.8%*	*3.2%*
Operating costs	(2,122)	(2,326)	(2,645)	(2,957)	(3,195)	(3,374)	(3,339)
EBITDA	**(1,427)**	**(350)**	**1,051**	**2,182**	**2,795**	**3,265**	**3,511**
Year-over-year growth							

Notes:

[1] Based on forecasts provided by Management.

Schedule 2I: PowerStream Energy Services

2015 Statement of Financial Position

As at December 31, 2015 CAD 000'S	As at December 31, 2014
	[F1]
Assets	
Cash and cash equivalents	614
Accounts receivable	997
Unbilled revenue	577
Prepaids and other	7,103
Current assets	**9,290**
Non-current assets	
Property, plant and equipment	2,947
Construction Deposits	3,009
Intangibles	1,417
Deferred Tax Assets	406
Total Assets	**17,069**
Liabilities	
Accounts payable and accrued liabilities	2,119
Customers' Deposit	193
Due to related parties	3,844
Contract Holdbacks	395
Total Liabilities	**6,551**
Share capital	11,999
Retained earnings	(1,481)
Total shareholder's equity	**10,518**
Total liabilities and shareholder's equity	**17,069**

Notes:

[1] Based on information provided by Management.

Schedule 2J: PowerStream Energy Services

2015 Historical Weighted Average Cost of Capital

As at December 31, 2015 Ticker	Guideline Companies	Total Book Value of Debt	Total Book Value of Preferred	Total Market Value of Equity	Total Market Value of Capital	Debt to Capital	Equity to Capital	Historical Effective Tax Rate 5-Yr. Avg	Levered Equity Beta 5-YR	Historical Debt to Capital 5-YR	Unlevered Equity Beta
		[F1]	[F1]	[F2]							
NZSE:CEN	Contact Energy Ltd.	1,049	-	3,286	4,335	24.2%	75.8%	27.0%	0.97	25.5%	0.78
MICEX:MRKP	Interregional Distribution Grid Company	437	-	140	577	75.8%	24.2%	26.5%	0.82	57.3%	0.41
PSE:MER	Manila Electric Co.	671	-	6,732	7,403	9.1%	90.9%	26.5%	0.95	8.1%	0.89
LSE:MRO	Melrose Industries PLC	891	-	4,103	4,994	17.8%	82.2%	35.6%	1.21	21.6%	1.03
										Selected	**0.83**

		Low	High
Unlevered Equity Beta	[F3]	0.79	0.88
Debt-to-Equity		100.0%	100.0%
Selected Subject Tax Rate	[F4]	26.5%	26.5%
Relevered Equity Beta	[F5]	**1.38**	**1.52**
Risk Free Rate	[F6]	2.29%	2.29%
Equity Risk Premium	[F7]	6.75%	6.75%
Levered Equity Beta		1.38	1.52
Cost of Equity Capital	[F8]	**11.57%**	**12.55%**
Company Specific Risk Premium			
Size Premium	[F9]	3.87%	3.87%
Company Specific Risk	[F10]	1.00%	2.00%
Country adjustment factor		-0.20%	-0.20%
Subject's Cost of Equity Capital		**16.24%**	**18.22%**
Subject's Estimated Pre-Tax Cost of Debt Capital	[F11]	7.0%	7.0%
Tax Rate	[F12]	26.5%	26.5%
After-Tax Cost of Debt		**5.15%**	**5.15%**
Debt-to-Capital	[F13]	50.0%	50.0%
Equity-to-Capital		50.0%	50.0%
Weighted Average Cost of Capital	[F14]	**10.69%**	**11.68%**
Weighted average cost of capital, rounded		**10.50%**	**11.50%**

Notes

[F1] Book value of debt used as an approximation of market value. For purposes of calculating capital structure preferred equity, if any, was added to debt at book value.

[F2] Represents current stock price times common shares outstanding.

[F3] Unlevered Equity Beta = Levered Equity Beta / [1 + (1 - Tax Rate) x Debt-to-Equity].

[F4] Based on enacted statutory rates in Ontario.

[F5] Levered Equity Beta = Unlevered Equity Beta x [1 + (1 - Tax Rate) x Debt-to-Equity].

[F6] 20 year U.S. Treasury Constant Maturity Yields as of the Valuation Date. Source: U.S. Federal Reserve.

[F7] Based on Deloitte resources.

[F8] Cost of Equity Capital = Risk Free Rate + [Equity Beta x Equity Risk Premium].

[F9] Based on the appropriate size premium from the Duffs and Phelps 2014 Cost of Capital Report.

[F10] Risk premium based on qualitative factors that reflect risks inherent in cash flows.

[F11] Based on the cost of debt for BB corporate bonds.

[F12] Based on enacted statutory rates in Ontario.

[F13] Based on comparables and estimated debt capacity of the Company.

[F14] WACC = [(Debt-to-Capital x Cost of Debt x (1 - Tax Rate)] + [Equity-to-Capital X Cost of Equity Capital].

Schedule 3A: Enersource

2014 Valuation Summary

CAD 000'S As of December 31, 2014	Low	High
DCF - Enterprise Value	5,022	5,416
DCF - Equity Value	3,345	3,739
Enterprise Value, Rounded Valuation Conclusion	**5,200**	
Equity Value, Rounded Valuation Conclusion	**3,500**	

Schedule 3B: Enersource

2014 Discounted Cash Flow Summary

As of December 31, 2014			For the year ended December,						
			2014B	2015F	2016F	2017F	2018F	2019F	Terminal
CAD 000's CAD 000'S	Notes		Historical results	Forecast operating results					
Revenue	[1]		10,319	12,803	12,568	13,133	13,693	13,523	13,793
Year-over-year growth			*NM*	*24.1%*	*-1.8%*	*4.5%*	*4.3%*	*-1.2%*	*2.0%*
Operating costs									
Enersource Power Services Cost			7,890	9,920	9,697	10,340	10,955	10,766	10,981
Operations, Maintenance and Administration Costs			1,745	1,792	1,800	1,824	1,868	1,874	1,911
Total operating costs			9,635	11,712	11,497	12,164	12,823	12,640	12,893
EBITDA			684	1,091	1,071	969	870	883	901
% of revenue			*6.6%*	*8.5%*	*8.5%*	*7.4%*	*6.4%*	*6.5%*	*6.5%*
Less: Taxes				289	284	257	231	234	239
% of EBITDA	[2]			*26.5%*	*26.5%*	*26.5%*	*26.5%*	*26.5%*	*26.5%*
After-tax cash flow				802	787	712	639	649	662
High									
Cash flow adjustments									
Capital expenditures	[3]			(200)	(200)	(250)	(250)	(250)	(255)
Tax shield on capital expenditures	[4]			32	32	40	40	40	41
(Increase) / Decrease in working capital	[5]			774	22	(41)	(44)	12	(44)
				606	(146)	(251)	(254)	(198)	(258)
Free Cash Flows after adjustments				1,408	641	461	385	451	404
Terminal Value	[6]	2.0%							4,252
Free Cash Flows				1,408	641	461	385	451	4,252
Percent of year remaining				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting				0.50	1.50	2.50	3.50	4.50	4.50
Present value factor @		11.5%		0.9470	0.8494	0.7618	0.6832	0.6127	0.6127
Present value of cash flows				**1,333**	**545**	**351**	**263**	**276**	**2,606**
Low									
Cash flow adjustments									
Capital expenditures	[3]			(200)	(200)	(250)	(250)	(250)	(255)
Tax shield on capital expenditures	[4]			31	31	39	39	39	39
(Increase) / Decrease in working capital	[5]			774	22	(41)	(44)	12	(44)
				605	(147)	(252)	(255)	(199)	(259)
Free Cash Flows after adjustments				1,407	640	460	384	450	403
Terminal Value	[6]	2.0%							3,834
Free Cash Flows				1,407	640	460	384	450	3,834
Percent of year remaining				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting				0.50	1.50	2.50	3.50	4.50	4.50
Present value factor @		12.5%		0.9428	0.8381	0.7449	0.6622	0.5886	0.5886
Present value of cash flows				**1,326**	**536**	**342**	**254**	**265**	**2,257**

Conclusion

		Low	High
Present value of cash flows		4,981	5,374
Add: Present value of tax benefit from existing assets	[7]	42	42
Business enterprise value		**5,022**	**5,416**
Add: Redundant assets		18,000	18,000
Less: Debt		(19,677)	(19,677)
Equity value		3,345	3,739
Equity value, rounded		**3,300**	**3,700**

Notes

[1] Operating forecasts are based on info provided by Management.

[2] Tax rates are based on the enacted tax rates for Ontario as of the Valuation Date.

[3] Annual capital expenditures based on forecasts provided by Management.

[4] The tax shield on sustaining capital expenditures has an estimated CCA rate of 20%.

[5] Working capital is based on balance sheet forecasts provided by management.

[6] Terminal growth rate is estimated based on the EIU's estimate of inflation as of the Valuation Date.

[7] Tax shield on fixed assets was calculated based on a CCA rate of 20%. UCC balance estimated as at December 31, 2014 was estimated based on the UCC balance in 2013 rolled forward for CCA claimed in 2014 and capital additions.

Schedule 3C: Enersource

2014 Projected Operating Results

CAD 000'S	2014	2015	2016	2017	2018	2019
	As at December 31,					
	[1]	[1]	[1]	[1]	[1]	[1]
Revenue						
Enersource Power Services Revenue	10,319	12,803	12,568	13,133	13,693	13,523
Total revenue	10,319	12,803	12,568	13,133	13,693	13,523
Year-over-year growth	*NM*	*24.1%*	*-1.8%*	*4.5%*	*4.3%*	*-1.2%*
Operating costs						
Enersource Power Services Cost	7,890	9,920	9,697	10,340	10,955	10,766
Operations, Maintenance and Administration Costs	1,745	1,792	1,800	1,824	1,868	1,874
Total operating costs	**9,635**	**11,712**	**11,497**	**12,164**	**12,823**	**12,640**
Year-over-year growth	*NM*	*21.6%*	*-1.8%*	*5.8%*	*5.4%*	*-1.4%*
EBITDA	**684**	**1,091**	**1,071**	**969**	**870**	**883**

Notes:

[1] Operating forecasts are based on info provided by Management.

Schedule 3D: Enersource

2014 Projected Statement of Financial Position

CAD 000'S	2014	2015	2016	2017	2018	2019
	As at December 31,					
	[1]	[1]	[1]	[1]	[1]	[1]
Assets						
Cash and Short Term Investments	17,820	8,724	9,319	9,750	10,137	10,573
Accounts Receivable	3,422	2,724	2,674	2,794	2,913	2,877
Inventories	259	300	300	300	300	300
Prepaid Expenses	32	57	57	57	58	58
Income Taxes Receivable	180	64	-	-	-	-
Total Current Assets	**21,713**	**11,869**	**12,350**	**12,901**	**13,408**	**13,808**
Property, Plant and Equipment	593	608	565	549	579	654
Intercompany Receivable	-	10,000	10,000	10,000	10,000	10,000
Deferred Tax Assets	35	48	69	90	95	84
Total Assets	**22,341**	**22,525**	**22,984**	**23,540**	**24,082**	**24,546**
Liabilities						
Accounts Payable and Accrued Liabilities	1,070	1,212	1,184	1,263	1,339	1,315
Deferred revenue	45	-	-	-	-	-
Income Taxes Payable	-	-	-	-	-	-
Subdivisions Advances/Deposits	140	-	-	-	-	-
Total Current Liabilities	**1,255**	**1,212**	**1,184**	**1,263**	**1,339**	**1,315**
Intercompany Payable Long Term	19,294	19,009	19,009	19,009	19,009	19,009
Employee Post-Employment Benefits	383	363	382	401	421	443
Total Long Term Liabilities	**19,677**	**19,372**	**19,391**	**19,410**	**19,430**	**19,452**
Equity - Shareholders'	-	-	-	-	-	-
Accumulated OCI	26	-	-	-	-	-
Share Capital	-	1,053	1,053	1,053	1,053	1,053
Retained Earning - Beginning of Year	-	190	888	1,356	1,813	2,260
Retained Earning - End of year	1,383	-	-	-	-	-
Net Income	-	988	1,061	1,096	1,105	1,130
Declared Dividend	-	(290)	(593)	(638)	(658)	(664)
Total Shareholders' Equity	**1,409**	**1,941**	**2,409**	**2,867**	**3,313**	**3,779**
Total Liabilities and Equity	**22,341**	**22,525**	**22,984**	**23,540**	**24,082**	**24,546**

Notes:

[1] Balance sheet forecasts are based on info provided by Management.

Schedule 3E: Enersource

2014 Historical Weighted Average Cost of Capital

Ticker	Guideline Companies	Total Book Value of Debt	Total Book Value of Preferred	Total Market Value of Equity	Total Market Value of Capital	Debt to Capital	Equity to Capital	Historical Effective Tax Rate 5-Yr. Avg	Levered Equity Beta 5-YR	Historical Debt to Capital 5-YR	Unlevered Equity Beta
As of December 31, 2014											
		[F1]	[F1]	[F2]							
NYSE:TRR	TRC Companies Inc.	3	-	192	196	1.8%	98.2%	21.3%	1.17	4.8%	1.13
NYSE:AMRC	Ameresco, Inc.	178	-	324	502	35.4%	64.6%	23.2%	1.07	29.9%	0.81
NYSE:JCI	Johnson Controls Inc.	7,537	-	32,271	39,808	18.9%	81.1%	20.4%	1.34	18.5%	1.14
NasdaqGM:ENPH	Enphase Energy, Inc.	-	-	623	623	0.0%	100.0%	0.0%	1.90	9.2%	1.72
										Selected	**1.20**

		Low	High
Unlevered Equity Beta	[F3]	1.14	1.26
Debt-to-Equity		100.0%	100.0%
Selected Subject Tax Rate	[F4]	26.5%	26.5%
Relevered Equity Beta	[F5]	**1.98**	**2.18**
Risk Free Rate	[F6]	2.47%	2.47%
Equity Risk Premium	[F7]	6.50%	6.50%
Levered Equity Beta		1.98	2.18
Cost of Equity Capital	[F8]	**15.31%**	**16.66%**
Company Specific Risk Premium			
Size Premium	[F9]	3.87%	3.87%
Company Specific Risk	[F10]	-1.00%	0.00%
Country adjustment factor		-0.20%	-0.20%
Subject's Cost of Equity Capital		**17.98%**	**20.33%**
Subject's Estimated Pre-Tax Cost of Debt Capital	[F11]	7.0%	7.0%
Tax Rate	[F12]	26.5%	26.5%
After-Tax Cost of Debt		**5.15%**	**5.15%**
Debt-to-Capital	[F13]	50.0%	50.0%
Equity-to-Capital		50.0%	50.0%
Weighted Average Cost of Capital	[F14]	**11.56%**	**12.74%**
Weighted average cost of capital, rounded		**11.50%**	**12.50%**

Notes

[F1] Book value of debt used as an approximation of market value. For purposes of calculating capital structure preferred equity, if any, was added to debt at book value.

[F2] Represents current stock price times common shares outstanding.

[F3] Unlevered Equity Beta = Levered Equity Beta / [1 + (1 - Tax Rate) x Debt-to-Equity].

[F4] Based on enacted statutory rates in Ontario.

[F5] Levered Equity Beta = Unlevered Equity Beta x [1 + (1 - Tax Rate) x Debt-to-Equity].

[F6] 20 year U.S. Treasury Constant Maturity Yields as of the Valuation Date. Source: U.S. Federal Reserve.

[F7] Based on Deloitte resources.

[F8] Cost of Equity Capital = Risk Free Rate + [Equity Beta x Equity Risk Premium].

[F9] Based on the appropriate size premium from the Duffs and Phelps 2014 Cost of Capital Report.

[F10] Risk premium based on qualitative factors that reflect risks inherent in cash flows.

[F11] Based on the cost of debt for BB corporate bonds.

[F12] Based on enacted statutory rates in Ontario.

[F13] Based on comparables and estimated debt capacity of the Company.

[F14] WACC = [(Debt-to-Capital x Cost of Debt x (1 - Tax Rate)] + [Equity-to-Capital X Cost of Equity Capital].

Schedule 3F: Enersource

2015 Valuation Summary

CAD 000'S As of December 31, 2015	Low	High
DCF - Enterprise Value	4,235	4,634
DCF - Equity Value	2,558	2,957
Enterprise Value, Rounded Valuation Conclusion	**4,400**	
Equity Value, Rounded Valuation Conclusion	**2,800**	

Schedule 3G: Enersource

2015 Discounted Cash Flow Summary

As of December 31, 2015			For the year ended December 31,				
			2016F	2017F	2018F	2019F	Terminal
CAD 000's CAD 000'S	Notes		Forecast operating results				
Total revenue	[1]		12,568	13,133	13,693	13,523	13,793
Year-over-year growth			*-1.8%*	*4.5%*	*4.3%*	*-1.2%*	*2.0%*
Operating costs							
Enersource Power Services Cost			9,697	10,340	10,955	10,766	10,981
Operations, Maintenance and Administration Costs			1,800	1,824	1,868	1,874	1,911
Total operating costs			11,497	12,164	12,823	12,640	12,893
EBITDA			1,071	969	870	883	901
% of revenue			*8.5%*	*7.4%*	*6.4%*	*6.5%*	*6.5%*
Less: Taxes			284	257	231	234	239
% of EBITDA	[2]		*26.5%*	*26.5%*	*26.5%*	*26.5%*	*26.5%*
After-tax cash flow			787	712	639	649	662
High							
Cash flow adjustments							
Capital expenditures	[3]		(200)	(250)	(250)	(250)	(255)
Tax shield on capital expenditures	[4]		36	45	45	45	46
(Increase) / Decrease in working capital	[5]		22	(41)	(44)	12	(44)
			(142)	(246)	(249)	(193)	(252)
Free Cash Flows after adjustments			646	467	391	456	410
Terminal Value	[6]	2.0%					4,312
Free Cash Flows			646	467	391	456	4,312
Percent of year remaining			100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting			0.50	1.50	2.50	3.50	3.50
Present value factor @		11.5%	0.9470	0.8494	0.7618	0.6832	0.6832
Present value of cash flows			**611**	**396**	**298**	**312**	**2,946**
Low							
Cash flow adjustments							
Capital expenditures	[3]		(200)	(250)	(250)	(250)	(255)
Tax shield on capital expenditures	[4]		35	44	44	44	45
(Increase) / Decrease in working capital	[5]		22	(41)	(44)	12	(44)
			(143)	(247)	(250)	(194)	(254)
Free Cash Flows after adjustments			645	465	390	455	408
Terminal Value	[6]	2.0%					3,889
Free Cash Flows			645	465	390	455	3,889
Percent of year remaining			100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting			0.50	1.50	2.50	3.50	3.50
Present value factor @		12.5%	0.9428	0.8381	0.7449	0.6622	0.6622
Present value of cash flows			**608**	**390**	**290**	**301**	**2,575**

Conclusion

		Low	High
Present value of cash flows		4,164	4,563
Add: Present value of tax benefit from existing assets	[7]	71	71
Business enterprise value		**4,235**	**4,634**
Add: Redundant assets		18,000	18,000
Less: Debt		(19,677)	(19,677)
Equity value		**2,558**	**2,957**
Equity value, rounded		**2,600**	**3,000**

Notes

[1] Operating forecasts are based on info provided by Management.

[2] Tax rates are based on the enacted tax rates for Ontario as of the Valuation Date.

[3] Annual capital expenditures based on forecasts provided by Management.

[4] The tax shield on sustaining capital expenditures has an estimated CCA rate of 36%.

[5] Working capital is based on balance sheet forecasts provided by management.

[6] Terminal growth rate is estimated based on the EIU's estimate of inflation as of the Valuation Date.

[7] Tax shield on fixed assets was calculated based on a CCA rate of 30%. UCC balance estimated as at December 31, 2015 was estimated based on the UCC balance in 2013 rolled forward for CCA claimed in 2014 and capital additions.

Schedule 3H: Enersource

2015 Projected Operating Results

CAD 000'S	For the year ended December 31,					
	2014	2015	2016	2017	2018	2019
	[1]	[1]	[1]	[1]	[1]	[1]
Revenue						
Enersource Power Services Revenue	10,319	12,803	12,568	13,133	13,693	13,523
Total revenue	10,319	12,803	12,568	13,133	13,693	13,523
Year-over-year growth	*NM*	*24.1%*	*-1.8%*	*4.5%*	*4.3%*	*-1.2%*
Operating costs						
Enersource Power Services Cost	7,890	9,920	9,697	10,340	10,955	10,766
Operations, Maintenance and Administration Costs	1,745	1,792	1,800	1,824	1,868	1,874
Total operating costs	**9,635**	**11,712**	**11,497**	**12,164**	**12,823**	**12,640**
Year-over-year growth	*NM*	*21.6%*	*-1.8%*	*5.8%*	*5.4%*	*-1.4%*
EBITDA	**684**	**1,091**	**1,071**	**969**	**870**	**883**

Notes:

[1] Operating forecasts are based on info provided by Management.

Schedule 3I: Enersource

2015 Projected Statement of Financial Position

CAD 000'S	As at December 31, 2014	2015	2016	2017	2018	2019
	[1]	[1]	[1]	[1]	[1]	[1]
Assets						
Cash and Short Term Investments	17,820	8,724	9,319	9,750	10,137	10,573
Accounts Receivable	3,422	2,724	2,674	2,794	2,913	2,877
Inventories	259	300	300	300	300	300
Prepaid Expenses	32	57	57	57	58	58
Income Taxes Receivable	180	64	-	-	-	-
Total Current Assets	**21,713**	**11,869**	**12,350**	**12,901**	**13,408**	**13,808**
Property, Plant and Equipment	593	608	565	549	579	654
Intercompany Receivable	-	10,000	10,000	10,000	10,000	10,000
Deferred Tax Assets	35	48	69	90	95	84
Total Assets	**22,341**	**22,525**	**22,984**	**23,540**	**24,082**	**24,546**
Liabilities						
Accounts Payable and Accrued Liabilities	1,070	1,212	1,184	1,263	1,339	1,315
Deferred revenue	45	-	-	-	-	-
Income Taxes Payable	-	-	-	-	-	-
Subdivisions Advances/Deposits	140	-	-	-	-	-
Total Current Liabilities	**1,255**	**1,212**	**1,184**	**1,263**	**1,339**	**1,315**
Intercompany Payable Long Term	19,294	19,009	19,009	19,009	19,009	19,009
Employee Post-Employment Benefits	383	363	382	401	421	443
Total Long Term Liabilities	**19,677**	**19,372**	**19,391**	**19,410**	**19,430**	**19,452**
Equity - Shareholders'	-	-	-	-	-	-
Accumulated OCI	26	-	-	-	-	-
Share Capital	-	1,053	1,053	1,053	1,053	1,053
Retained Earning - Beginning of Year	-	190	888	1,356	1,813	2,260
Retained Earning - End of year	1,383	-	-	-	-	-
Net Income	-	988	1,061	1,096	1,105	1,130
Declared Dividend	-	(290)	(593)	(638)	(658)	(664)
Total Shareholders' Equity	**1,409**	**1,941**	**2,409**	**2,867**	**3,313**	**3,779**
Total Liabilities and Equity	**22,341**	**22,525**	**22,984**	**23,540**	**24,082**	**24,546**

Notes:

[1] Balance sheet forecasts are based on info provided by Management.

Schedule 3J: Enersource

2015 Weighted Average Cost of Capital

Ticker	Guideline Companies	Total Book Value of Debt	Total Book Value of Preferred	Total Market Value of Equity	Total Market Value of Capital	Debt to Capital	Equity to Capital	Historical Effective Tax Rate 5-Yr. Avg	Levered Equity Beta 5-YR	Historical Debt to Capital 5-YR	Unlevered Equity Beta
As of December 31, 2015											
		[F1]	[F1]	[F2]							
NYSE:TRR	TRC Companies Inc.	3	-	253	256	1.3%	98.7%	23.5%	1.17	3.8%	1.14
NYSE:AMRC	Ameresco, Inc.	178	-	343	521	34.1%	65.9%	26.3%	1.06	32.5%	0.78
NYSE:JCI	Johnson Controls Inc.	7,537	-	33,154	40,691	18.5%	81.5%	23.1%	1.35	18.6%	1.15
NasdaqGM:ENPH	Enphase Energy, Inc.	-	-	579	579	0.0%	100.0%	26.5%	1.80	4.6%	1.74

Selected 1.14

		Low	High
Unlevered Equity Beta	[F3]	1.09	1.20
Debt-to-Equity		100.0%	100.0%
Selected Subject Tax Rate	[F4]	26.5%	26.5%
Relevered Equity Beta	[F5]	**1.89**	**2.09**
Risk Free Rate	[F6]	2.29%	2.29%
Equity Risk Premium	[F7]	6.75%	6.75%
Levered Equity Beta		1.89	2.09
Cost of Equity Capital	[F8]	**15.02%**	**16.36%**
Company Specific Risk Premium			
Size Premium	[F9]	3.87%	3.87%
Company Specific Risk	[F10]	-1.00%	0.00%
Country adjustment factor		-0.20%	-0.20%
Subject's Cost of Equity Capital		**17.69%**	**20.03%**
Subject's Estimated Pre-Tax Cost of Debt Capital	[F11]	7.0%	7.0%
Tax Rate	[F12]	26.5%	26.5%
After-Tax Cost of Debt		**5.15%**	**5.15%**
Debt-to-Capital	[F13]	50.0%	50.0%
Equity-to-Capital		50.0%	50.0%
Weighted Average Cost of Capital	[F14]	**11.42%**	**12.59%**
Weighted average cost of capital, rounded		**11.50%**	**12.50%**

Notes

[F1] Book value of debt used as an approximation of market value. For purposes of calculating capital structure preferred equity, if any, was added to debt at book value.

[F2] Represents current stock price times common shares outstanding.

[F3] Unlevered Equity Beta = Levered Equity Beta / [1 + (1 - Tax Rate) x Debt-to-Equity].

[F4] Based on enacted statutory rates in Ontario.

[F5] Levered Equity Beta = Unlevered Equity Beta x [1 + (1 - Tax Rate) x Debt-to-Equity].

[F6] 20 year U.S. Treasury Constant Maturity Yields as of the Valuation Date. Source: U.S. Federal Reserve.

[F7] Based on Deloitte resources.

[F8] Cost of Equity Capital = Risk Free Rate + [Equity Beta x Equity Risk Premium].

[F9] Based on the appropriate size premium from the Duffs and Phelps 2014 Cost of Capital Report.

[F10] Risk premium based on qualitative factors that reflect risks inherent in cash flows.

[F11] Based on the cost of debt for BB corporate bonds.

[F12] Based on enacted statutory rates in Ontario.

[F13] Based on comparables and estimated debt capacity of the Company.

[F14] WACC = [(Debt-to-Capital x Cost of Debt x (1 - Tax Rate)] + [Equity-to-Capital X Cost of Equity Capital].

Schedule 4A: Horizon Energy Solutions

2014 Valuation Summary

As of December 31, 2014 CAD 000'S	Low	High
DCF - excluding CDM Management	3,541	4,012
DCF - CDM Management	160	160
Total Enterprise Value	**3,701**	**4,172**
Average		**3,936**
DCF - excluding CDM Management	4,412	4,883
DCF - CDM Management	160	160
Total Equity Value	**4,572**	**5,043**
Average		**4,807**
Rounded Valuation Conclusion, enterprise value	**3,700**	**4,200**
Average		**3,950**
Rounded Valuation Conclusion, equity value	**4,600**	**5,000**
Average		**4,800**

Schedule 4B: Horizon Energy Solutions

2014 Discounted Cash Flow Summary – Excluding CDM

CAD 000'S	Notes		2014B	2015F	2016F	2017F	2018F	2019F	Terminal
			For the year ended December,						
			Historical results	Forecast operating results					
Revenue									
Waters Heaters / Sentinel Lights			60	61	61	61	61	61	
Meter Server Provider			528	585	651	697	723	764	
Management Services Revenue (Solar PV)			145	133	137	140	144	148	
Total revenue	[1]		733	779	849	898	928	973	992
Year-over-year growth			*NM*	*6.3%*	*9.0%*	*5.8%*	*3.3%*	*4.8%*	*2.0%*
Operating costs									
Waters Heaters / Sentinel Lights			413	393					
Meter Server Provider			258	305	312	321	327	334	
Management Services Revenue (Solar PV)			135	123	126	129	132	136	
Total operating costs			806	821	438	450	459	470	479
EBITDA			(73)	(42)	411	448	469	503	513
% of revenue			*-10.0%*	*-5.4%*	*48.4%*	*49.9%*	*50.5%*	*51.7%*	*51.7%*
Less: Taxes				-	67	119	124	133	136
% of EBITDA	[2]			*26.5%*	*26.5%*	*26.5%*	*26.5%*	*26.5%*	*26.5%*
After-tax cash flow				(42)	344	329	345	370	377
High									
Cash flow adjustments									
Capital expenditures	[3]			(5)	(5)	(5)	(5)	(5)	(5)
Tax shield on capital expenditures	[4]			1	1	1	1	1	1
(Increase) / Decrease in working capital	[5]			(2)	(3)	(2)	(1)	(2)	(1)
				(6)	(7)	(7)	(6)	(6)	(5)
Free Cash Flows after adjustments				(48)	337	323	339	364	372
Terminal Value	[6]	2.0%							4,649
Free Cash Flows				(48)	337	323	339	364	4,649
Percent of year remaining				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting				0.50	1.50	2.50	3.50	4.50	4.50
Present value factor @		10.0%		0.9535	0.8668	0.7880	0.7164	0.6512	0.6512
Present value of cash flows				**(46)**	**292**	**254**	**243**	**237**	**3,028**
Low									
Cash flow adjustments									
Capital expenditures	[3]			(5)	(5)	(5)	(5)	(5)	(5)
Tax shield on capital expenditures	[4]			1	1	1	1	1	1
(Increase) / Decrease in working capital	[5]			(2)	(3)	(2)	(1)	(2)	(1)
				(6)	(7)	(7)	(6)	(6)	(5)
Free Cash Flows after adjustments				(48)	337	323	339	363	372
Terminal Value	[6]	2.0%							4,132
Free Cash Flows				(48)	337	323	339	363	4,132
Percent of year remaining				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting				0.50	1.50	2.50	3.50	4.50	4.50
Present value factor @		11.0%		0.9492	0.8551	0.7704	0.6940	0.6252	0.6252
Present value of cash flows				**(46)**	**288**	**249**	**235**	**227**	**2,584**

Conclusion

		Low	High
Present value of cash flows		3,537	4,007
Add: Present value of tax benefit from tangible assets	[7]	4	4
Business enterprise value		3,541	4,012
Add/(less): Excess/(deficiency) in net working capital	[8]	(64)	(64)
Add: Redundant assets		935	935
Equity value		4,412	4,883
Equity value, rounded		4,400	4,900

Notes

[1] Based on forecasts provided by Management.

[2] Tax rates are based on the enacted tax rates for Ontario as of the Valuation Date. Taxes are reduced in 2015 by the tax carryforward from the loss in 2014.

[3] We have estimated the capex per year to be approximately $5k, which represents replacing the asset base every 7 to 10 years.

[4] The tax shield on sustaining capital expenditures has an estimated CCA rate of 20%.

[5] Normalized working capital is based on comparable company analysis.

[6] Terminal growth rate is estimated based on the EIU's estimate of inflation as of the Valuation Date.

[7] Tax shield on fixed assets was calculated based on a CCA rate of 20% and the book value of PPE balance provided by management.

[8] Excess / deficient working capital is calculated as:

Actual Working Capital	(33)
Normalized Working Capital	31
Excess / Deficient Working Capital	(64)

Schedule 4C: Horizon Energy Solutions

2014 Discounted Cash Flow Summary – CDM

CAD 000'S	Notes		For the year ended December, 2014B Historical results	2015F Forecast operating results
Revenue				
CDM Management			1,267	1,324
Total revenue	[1]		1,267	1,324
Year-over-year growth			*NM*	*4.5%*
Operating costs				
CDM Management			1,056	1,102
Total operating costs			1,056	1,102
EBITDA			211	222
% of revenue			*16.7%*	*16.8%*
Less: Taxes				59
% of EBITDA	[2]			*26.5%*
After-tax cash flow				163
High				
Percent of year remaining				100.0%
Periods discounting				0.50
Present value factor @	[3]	6.5%		0.9690
Present value of cash flows				**158**
Low				
Percent of year remaining				100.0%
Periods discounting				0.50
Present value factor @	[3]	7.5%		0.9645
Present value of cash flows				**157**

	Low	High
Present value of cash flows	157	158
Equity value	**157**	**158**
Equity value, rounded	**160**	**160**

Notes:

[1] Based on forecasts provided by Management.
[2] Tax rates are based on the enacted tax rates for Ontario as of the Valuation Date.
[3] Based on Horizon Enersy Solution's borrowing cost.

Schedule 4D: Horizon Energy Solutions

2014 Projected Operating Results

CAD 000'S	As at December 31, 2014	2015	2016	2017	2018	2019
	[F1]	[F1]	[F1]	[F1]	[F1]	[F1]
Revenue						
Waters Heaters / Sentinel Lights / Other	60	61	61	61	61	61
Meter Server Provider	528	585	651	697	723	764
CDM Services Revenue	1,267	1,324	-	-	-	-
Management Services Revenue (Solar PV)	145	133	137	140	144	148
Total revenue	2,000	2,103	849	898	928	973
Year-over-year growth	*NM*	*5.2%*	*-59.6%*	*5.8%*	*3.3%*	*4.8%*
Total operating costs						
Waters Heaters / Sentinel Lights / Other	413	393	-	-	-	-
Meter Server Provider	258	305	312	321	327	334
CDM Services Revenue	1,056	1,102	-	-	-	-
Management Services Revenue (Solar PV)	135	123	126	129	132	136
Total operating costs	**1,862**	**1,923**	**438**	**450**	**459**	**470**
EBITDA						
Waters Heaters / Sentinel Lights	(353)	(332)	61	61	61	61
Meter Server Provider	270	280	339	376	396	430
CDM Services Revenue	211	222	-	-	-	-
Management Services Revenue (Solar PV)	10	10	11	11	12	12
EBITDA	**138**	**180**	**411**	**448**	**469**	**503**
Year-over-year growth	*NM*	30.4%	128.3%	9.0%	4.7%	7.2%

Notes:

[F1] Based on forecasts provided by Management.

Schedule 4E: Horizon Energy Solutions

2014 Projected Statement of Financial Position

CAD 000'S	As at December 31, 2013	As at December 31, 2014 [F1]
Assets		
Cash and cash equivalents	959	935
Accounts receivable	333	216
Accounts receivable from corporations under control	28	6
Other assets	58	51
Current assets	**1,378**	**1,208**
Non-current assets		
Property, plant, and equipment	36	26
Total Assets	**1,414**	**1,234**
Liabilities		
Accounts payable and accrued liabilities	364	265
Accounts payable to corporations under common control	84	41
Deferred payments in lieu	10	7
Total Liabilities	**458**	**313**
Share capital	1	1
Retained earnings	955	920
Total shareholder's equity	**956**	**921**
Total liabilities and shareholder's equity	**1,414**	**1,234**

Notes:

[1] Balance sheet forecasts are based on info provided by Management.

Schedule 4F: Horizon Energy Solutions

2014 Weighted Average Cost of Capital

As of December 31, 2014

Ticker	Guideline Companies	Total Book Value of Debt	Total Book Value of Preferred	Total Market Value of Equity	Total Market Value of Capital	Debt to Capital	Equity to Capital	Historical Effective Tax Rate 5-Yr. Avg	Levered Equity Beta 5-YR	Historical Debt to Capital 5-YR	Unlevered Equity Beta
		[F1]	[F1]	[F2]							
NZSE:CEN	Contact Energy Ltd.	1,049	-	3,653	4,702	22.3%	77.7%	26.7%	0.97	26.2%	0.77
MICEX:MRKP	Interregional Distribution Grid Company	437	-	177	615	71.1%	28.9%	25.7%	0.89	58.3%	0.44
PSE:MER	Manila Electric Co.	671	-	6,441	7,111	9.4%	90.6%	29.7%	0.98	8.7%	0.92
LSE:MRO	Melrose Industries PLC	891	-	4,457	5,348	16.7%	83.3%	68.8%	1.22	21.0%	1.12
NYSE:TRR	TRC Companies Inc.	3	-	192	196	1.8%	98.2%	21.3%	1.17	4.8%	1.13
NYSE:AMRC	Ameresco, Inc.	178	-	324	502	35.4%	64.6%	23.2%	1.07	29.9%	0.81
NYSE:JCI	Johnson Controls Inc.	7,537	-	32,271	39,808	18.9%	81.1%	20.4%	1.34	18.5%	1.14
NasdaqGM:ENPH	Enphase Energy, Inc.	-	-	623	623	0.0%	100.0%	0.0%	1.90	9.2%	1.72
										Selected	**0.84**

		Low	High
Unlevered Equity Beta	[F3]	0.80	0.89
Debt-to-Equity		100.0%	100.0%
Selected Subject Tax Rate	[F4]	26.5%	26.5%
Relevered Equity Beta	[F5]	**1.39**	**1.54**
Risk Free Rate	[F6]	2.47%	2.47%
Equity Risk Premium	[F7]	6.50%	6.50%
Levered Equity Beta		1.39	1.54
Cost of Equity Capital	[F8]	**11.52%**	**12.47%**
Company Specific Risk Premium			
Size Premium	[F9]	3.87%	3.87%
Company Specific Risk	[F10]	0.00%	1.00%
Country adjustment factor		-0.20%	-0.20%
Subject's Cost of Equity Capital		**15.19%**	**17.14%**
Subject's Estimated Pre-Tax Cost of Debt Capital	[F11]	7.0%	7.0%
Tax Rate	[F12]	26.5%	26.5%
After-Tax Cost of Debt		**5.15%**	**5.15%**
Debt-to-Capital	[F13]	50.0%	50.0%
Equity-to-Capital		50.0%	50.0%
Weighted Average Cost of Capital	[F14]	**10.17%**	**11.14%**
Weighted average cost of capital, rounded		**10.00%**	**11.00%**

Notes

[F1] Book value of debt used as an approximation of market value. For purposes of calculating capital structure preferred equity, if any, was added to debt at book value.

[F2] Represents current stock price times common shares outstanding.

[F3] Unlevered Equity Beta = Levered Equity Beta / [1 + (1 - Tax Rate) x Debt-to-Equity].

[F4] Based on enacted statutory rates in Ontario.

[F5] Levered Equity Beta = Unlevered Equity Beta x [1 + (1 - Tax Rate) x Debt-to-Equity].

[F6] 20 year U.S. Treasury Constant Maturity Yields as of the Valuation Date. Source: U.S. Federal Reserve.

[F7] Based on Deloitte resources.

[F8] Cost of Equity Capital = Risk Free Rate + [Equity Beta x Equity Risk Premium].

[F9] Based on the appropriate size premium from the Duffs and Phelps 2014 Cost of Capital Report.

[F10] Risk premium based on qualitative factors that reflect risks inherent in cash flows.

[F11] Based on the cost of debt for BB corporate bonds.

[F12] Based on enacted statutory rates in Ontario.

[F13] Based on comparables and estimated debt capacity of the Company.

[F14] WACC = [(Debt-to-Capital x Cost of Debt x (1 - Tax Rate)] + [Equity-to-Capital X Cost of Equity Capital].

Schedule 4G: Horizon Energy Solutions

2015 Valuation Summary

As of December 31, 2015 CAD 000'S	Low	High
Total Enterprise Value	3,941	4,423
Average		**4,182**
Total Equity Value	4,806	5,288
Average		**5,047**
Rounded Valuation Conclusion, enterprise value	**3,900**	**4,400**
Average		**4,150**
Rounded Valuation Conclusion, equity	**4,800**	**5,300**
Average		**5,050**

Schedule 4H: Horizon Energy Solutions

2015 Discounted Cash Flow Summary – Excluding CDM

CAD 000'S	Notes		2016F	2017F	2018F	2019F	Terminal
			For the year ended December,				
			Forecast operating results				
Revenue							
Waters Heaters / Sentinel Lights			61	61	61	61	
Meter Server Provider			651	697	723	764	
Management Services Revenue (Solar PV)			137	140	144	148	
Total revenue	[1]		849	898	928	973	992
Year-over-year growth			*9.0%*	*5.8%*	*3.3%*	*4.8%*	*2.0%*
Operating costs							
Waters Heaters / Sentinel Lights							
Meter Server Provider			312	321	327	334	
Management Services Revenue (Solar PV)			126	129	132	136	
Total operating costs			438	450	459	470	479
EBITDA			411	448	469	503	513
% of revenue			*48.4%*	*49.9%*	*50.5%*	*51.7%*	*51.7%*
Less: Taxes			109	119	124	133	136
% of EBITDA	[2]		*26.5%*	*26.5%*	*26.5%*	*26.5%*	*26.5%*
After-tax cash flow			302	329	345	370	377
High							
Cash flow adjustments							
Capital expenditures	[3]		(5)	(5)	(5)	(5)	(5)
Tax shield on capital expenditures	[4]		1	1	1	1	1
(Increase) / Decrease in working capital	[5]		(3)	(2)	(1)	(2)	(1)
			(7)	(7)	(6)	(6)	(5)
Free Cash Flows after adjustments			295	323	339	363	372
Terminal Value	[6]	2.0%					4,649
Free Cash Flows			295	323	339	363	4,649
Percent of year remaining			100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting			0.50	1.50	2.50	3.50	3.50
Present value factor @		10.0%	0.9535	0.8668	0.7880	0.7164	0.7164
Present value of cash flows			**281**	**280**	**267**	**260**	**3,330**
Low							
Cash flow adjustments							
Capital expenditures	[3]		(5)	(5)	(5)	(5)	(5)
Tax shield on capital expenditures	[4]		1	1	1	1	1
(Increase) / Decrease in working capital	[5]		(3)	(2)	(1)	(2)	(1)
			(8)	(7)	(6)	(7)	(5)
Free Cash Flows after adjustments			295	323	339	363	372
Terminal Value	[6]	2.0%					4,132
Free Cash Flows			295	323	339	363	4,132
Percent of year remaining			100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting			0.50	1.50	2.50	3.50	3.50
Present value factor @		11.0%	0.9492	0.8551	0.7704	0.6940	0.6940
Present value of cash flows			**280**	**276**	**261**	**252**	**2,868**

Conclusion

		Low	High
Present value of cash flows		3,936	4,418
Add: Present value of tax benefit from tangible assets	[7]	4	4
Business enterprise value		3,941	4,423
Add/(less): Excess/(deficiency) in net working capital	[8]	(70)	(70)
Add: Redundant assets		935	935
Equity value		4,806	5,288
Equity value, rounded		4,800	5,300

Notes

[1] Based on forecasts provided by Management.

[2] Tax rates are based on the enacted tax rates for Ontario as of the Valuation Date. Taxes are reduced in 2015 by the tax carryforward from the loss in 2014.

[3] We have estimated the capex per year to be approximately $5k, which represents replacing the asset base every 7 to 10 years.

[4] The tax shield on sustaining capital expenditures has an estimated CCA rate of 20%.

[5] Normalized working capital is based on comparable company analysis.

[6] Terminal growth rate is estimated based on the EIU's estimate of inflation as of the Valuation Date.

[7] Tax shield on fixed assets was calculated based on a CCA rate of 20% and the book value of PPE balance provided by management.

[8] Excess / deficient working capital is calculated as:

Actual Working Capital	(33)
Normalized Working Capital	37
Excess / Deficient Working Capital	(70)

Schedule 4I: Horizon Energy Solutions

2015 Projected Operating Results

	For the year ended December 31,					
CAD 000'S	2014	2015	2016	2017	2018	2019
	[F1]	[F1]	[F1]	[F1]	[F1]	[F1]
Revenue						
Waters Heaters / Sentinel Lights / Other	60	61	61	61	61	61
Meter Server Provider	528	585	651	697	723	764
CDM Services Revenue	1,267	1,324	-	-	-	-
Management Services Revenue (Solar PV)	145	133	137	140	144	148
Total revenue	2,000	2,103	849	898	928	973
Year-over-year growth	*NM*	*5.2%*	*-59.6%*	*5.8%*	*3.3%*	*4.8%*
Total operating costs						
Waters Heaters / Sentinel Lights / Other	413	393	-	-	-	-
Meter Server Provider	258	305	312	321	327	334
CDM Services Revenue	1,056	1,102	-	-	-	-
Management Services Revenue (Solar PV)	135	123	126	129	132	136
Total operating costs	**1,862**	**1,923**	**438**	**450**	**459**	**470**
EBITDA						
Waters Heaters / Sentinel Lights	(353)	(332)	61	61	61	61
Meter Server Provider	270	280	339	376	396	430
CDM Services Revenue	211	222	-	-	-	-
Management Services Revenue (Solar PV)	10	10	11	11	12	12
EBITDA	**138**	**180**	**411**	**448**	**469**	**503**
Year-over-year growth		30.4%	128.3%	9.0%	4.7%	7.2%

Notes:

[F1] Based on forecasts provided by Management.

Schedule 4J: Horizon Energy Solutions

2015 Projected Statement of Financial Position

	As at December 31,	
CAD 000'S	2013	2014
		[F1]
Assets		
Cash and cash equivalents	959	935
Accounts receivable	333	216
Accounts receivable from corporations under control	28	6
Other assets	58	51
Current assets	**1,378**	**1,208**
Non-current assets		
Property, plant, and equipment	36	26
Total Assets	**1,414**	**1,234**
Liabilities		
Accounts payable and accrued liabilities	364	265
Accounts payable to corporations under common control	84	41
Deferred payments in lieu	10	7
Total Liabilities	**458**	**313**
Share capital	1	1
Retained earnings	955	920
Total shareholder's equity	**956**	**921**
Total liabilities and shareholder's equity	**1,414**	**1,234**

Notes:

[1] Balance sheet forecasts are based on info provided by Management.

Schedule 4K: Horizon Energy Solutions

2015 Weighted Average Cost of Capital

Ticker	Guideline Companies	Total Book Value of Debt	Total Book Value of Preferred	Total Market Value of Equity	Total Market Value of Capital	Debt to Capital	Equity to Capital	Historical Effective Tax Rate 5-Yr. Avg	Levered Equity Beta 5-YR	Historical Debt to Capital 5-YR	Unlevered Equity Beta
As of December 31, 2015											
		[F1]	[F1]	[F2]							
NZSE:CEN	Contact Energy Ltd.	1,049	-	3,286	4,335	24.2%	75.8%	27.0%	0.97	25.5%	0.78
MICEX:MRKP	Interregional Distribution Grid Company	437	-	140	577	75.8%	24.2%	26.5%	0.82	57.3%	0.41
PSE:MER	Manila Electric Co.	671	-	6,732	7,403	9.1%	90.9%	26.5%	0.95	8.1%	0.89
LSE:MRO	Melrose Industries PLC	891	-	4,103	4,994	17.8%	82.2%	35.6%	1.21	21.6%	1.03
NYSE:TRR	TRC Companies Inc.	3	-	253	256	1.3%	98.7%	23.5%	1.17	3.8%	1.14
NYSE:AMRC	Ameresco, Inc.	178	-	343	521	34.1%	65.9%	26.3%	1.06	32.5%	0.78
NYSE:JCI	Johnson Controls Inc.	7,537	-	33,154	40,691	18.5%	81.5%	23.1%	1.35	18.6%	1.15
NasdaqGM:ENPH	Enphase Energy, Inc.	-	-	579	579	0.0%	100.0%	26.5%	1.80	4.6%	1.74
										Selected	**0.83**

		Low	High
Unlevered Equity Beta	[F3]	0.79	0.88
Debt-to-Equity		100.0%	100.0%
Selected Subject Tax Rate	[F4]	26.5%	26.5%
Relevered Equity Beta	[F5]	**1.38**	**1.52**
Risk Free Rate	[F6]	2.29%	2.29%
Equity Risk Premium	[F7]	6.75%	6.75%
Levered Equity Beta		1.38	1.52
Cost of Equity Capital	[F8]	**11.57%**	**12.55%**
Company Specific Risk Premium			
Size Premium	[F9]	3.87%	3.87%
Company Specific Risk	[F10]	0.00%	1.00%
Country adjustment factor		-0.20%	-0.20%
Subject's Cost of Equity Capital		**15.24%**	**17.22%**
Subject's Estimated Pre-Tax Cost of Debt Capital	[F11]	7.0%	7.0%
Tax Rate	[F12]	26.5%	26.5%
After-Tax Cost of Debt		**5.15%**	**5.15%**
Debt-to-Capital	[F13]	50.0%	50.0%
Equity-to-Capital		50.0%	50.0%
Weighted Average Cost of Capital	[F14]	**10.19%**	**11.18%**
Weighted average cost of capital, rounded		**10.00%**	**11.00%**

Notes

[F1] Book value of debt used as an approximation of market value. For purposes of calculating capital structure preferred equity, if any, was added to debt at book value.

[F2] Represents current stock price times common shares outstanding.

[F3] Unlevered Equity Beta = Levered Equity Beta / [1 + (1 - Tax Rate) x Debt-to-Equity].

[F4] Based on enacted statutory rates in Ontario.

[F5] Levered Equity Beta = Unlevered Equity Beta x [1 + (1 - Tax Rate) x Debt-to-Equity].

[F6] 20 year U.S. Treasury Constant Maturity Yields as of the Valuation Date. Source: U.S. Federal Reserve.

[F7] Based on Deloitte resources.

[F8] Cost of Equity Capital = Risk Free Rate + [Equity Beta x Equity Risk Premium].

[F9] Based on the appropriate size premium from the Duffs and Phelps 2014 Cost of Capital Report.

[F10] Risk premium based on qualitative factors that reflect risks inherent in cash flows.

[F11] Based on the cost of debt for BB corporate bonds.

[F12] Based on enacted statutory rates in Ontario.

[F13] Based on comparables and estimated debt capacity of the Company.

[F14] WACC = [(Debt-to-Capital x Cost of Debt x (1 - Tax Rate)] + [Equity-to-Capital X Cost of Equity Capital].

Schedule 5A: Horizon Billing Services

2014 Valuation Summary

As of December 31, 2014 CAD 000'S	Low	High
DCF - Enterprise Value	12,232	13,698
DCF - Equity Value	12,232	13,698
Enterprise Value, Rounded Valuation Conclusion	**13,000**	
Equity Value, Rounded Valuation Conclusion	**13,000**	

Schedule 5B: Horizon Billing Services

2014 Discounted Cash Flow Summary

CAD 000'S	Notes		2015F	2016F	2017F	2018F	2019F	Terminal
			For the year ended December 31,					
			Forecast operating results					
Revenue	[1]		13,476	13,943	14,510	14,624	14,887	15,185
Year-over-year growth			*NM*	*3.5%*	*4.1%*	*0.8%*	*1.8%*	*2.0%*
Operating costs			(11,783)	(12,068)	(12,781)	(12,791)	(12,868)	(13,125)
EBITDA			1,693	1,875	1,729	1,833	2,019	2,059
% of revenue			*12.6%*	*13.4%*	*11.9%*	*12.5%*	*13.6%*	*13.6%*
Less: Taxes			449	497	458	486	535	546
% of EBITDA	[2]		*26.5%*	*26.5%*	*26.5%*	*26.5%*	*26.5%*	*26.5%*
After-tax cash flow			1,244	1,378	1,271	1,347	1,484	1,514
High								
Cash flow adjustments								
Capital expenditures	[1]		(351)	(262)	(176)	(151)	(301)	(307)
Tax shield on capital expenditures	[3]		59	44	30	25	51	52
Free Cash Flows			953	1,160	1,124	1,222	1,234	1,258
Terminal Value	[4]	2.0%						15,730
Probability of renewal								90%
Free Cash Flows			953	1,160	1,124	1,222	1,234	14,157
Percent of year remaining			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting			0.50	1.50	2.50	3.50	4.50	4.50
Present value factor @		10.00%	0.9535	0.8668	0.7880	0.7164	0.6512	0.6512
Present value of cash flows			**908**	**1,006**	**886**	**875**	**803**	**9,219**
Low								
Cash flow adjustments								
Capital expenditures	[1]		(351)	(262)	(176)	(151)	(301)	(307)
Tax shield on capital expenditures	[3]		57	43	29	25	49	50
Free Cash Flows			950	1,159	1,123	1,221	1,232	1,257
Terminal Value	[4]	2.0%						13,961
Probability of renewal								90%
Free Cash Flows			950	1,159	1,123	1,221	1,232	12,565
Percent of year remaining			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting			0.50	1.50	2.50	3.50	4.50	4.50
Present value factor @		11.00%	0.9492	0.8551	0.7704	0.6940	0.6252	0.6252
Present value of cash flows			**902**	**991**	**865**	**847**	**770**	**7,856**

Conclusion

		Low	High
Present value of cash flows		12,232	13,698
Add: Present value of tax benefit	[5]		
Business enterprise value		12,232	13,698
Equity value		12,232	13,698
Equity value, rounded		12,200	13,700

Notes

[1] Based on forecasts provided by Management.

[2] Tax rates are based on the enacted tax rates for Ontario as of the Valuation Date.

[3] The tax shield on sustaining capital expenditures is based on an estimated CCA rate of 20%.

[4] Terminal growth rate is estimated based on the EIU's estimate of inflation as of the Valuation Date.

[5] Balance sheet information, with PPE balances, specifically for Horizon's unregulated billing business were not provided to calculate the PV of the tax benefit from tangible assets.

Schedule 5C: Horizon Billing Services

2014 Projected Operating Results

	For the period ending December 31,				
CAD 000'S	**2015**	**2016**	**2017**	**2018**	**2019**
	[1]	[1]	[1]	[1]	[1]
Revenue					
Billing	4,515	4,660	4,810	4,965	5,125
Customer service	8,553	8,867	9,295	9,259	9,353
Other revenue	312	314	294	281	281
Interest income	96	102	111	119	128
Total revenue	13,476	13,943	14,510	14,624	14,887
Year-over-year growth	*NM*	*3.5%*	*4.1%*	*0.8%*	*1.8%*
Expenses					
Salaries and benefits	4,843	4,820	4,815	4,862	5,019
Operating costs	6,940	7,248	7,966	7,929	7,849
Total operating costs	11,783	12,068	12,781	12,791	12,868
EBITDA	**1,693**	**1,875**	**1,729**	**1,833**	**2,019**
Year-over-year growth					

Notes:

[1] Based on forecasts provided by Management.

Schedule 5D: Horizon Billing Services

2014 Weighted Average Cost of Capital

Ticker	Guideline Companies	Total Book Value of Debt	Total Book Value of Preferred	Total Market Value of Equity	Total Market Value of Capital	Debt to Capital	Equity to Capital	Historical Effective Tax Rate 5-Yr. Avg	Levered Equity Beta 5-YR	Historical Debt to Capital 5-YR	Unlevered Equity Beta
As of December 31, 2014											
		[F1]	[F1]	[F2]							
NZSE:CEN	Contact Energy Ltd.	1,049	-	3,653	4,702	22.3%	77.7%	26.7%	0.97	26.2%	0.77
MICEX:MRKP	Interregional Distribution Grid Company	437	-	177	615	71.1%	28.9%	25.7%	0.89	58.3%	0.44
PSE:MER	Manila Electric Co.	671	-	6,441	7,111	9.4%	90.6%	29.7%	0.98	8.7%	0.92
LSE:MRO	Melrose Industries PLC	891	-	4,457	5,348	16.7%	83.3%	68.8%	1.22	21.0%	1.12
										Selected	**0.84**

		Low	High
Unlevered Equity Beta	[F3]	0.80	0.89
Debt-to-Equity		100.0%	100.0%
Selected Subject Tax Rate	[F4]	26.5%	26.5%
Relevered Equity Beta	[F5]	**1.39**	**1.54**
Risk Free Rate	[F6]	2.47%	2.47%
Equity Risk Premium	[F7]	6.50%	6.50%
Levered Equity Beta		1.39	1.54
Cost of Equity Capital	[F8]	**11.52%**	**12.47%**
Company Specific Risk Premium			
Size Premium	[F9]	3.87%	3.87%
Company Specific Risk	[F10]	0.00%	1.00%
Country adjustment factor		-0.20%	-0.20%
Subject's Cost of Equity Capital		**15.19%**	**17.14%**
Subject's Estimated Pre-Tax Cost of Debt Capital	[F11]	7.0%	7.0%
Tax Rate	[F12]	26.5%	26.5%
After-Tax Cost of Debt		**5.15%**	**5.15%**
Debt-to-Capital	[F13]	50.0%	50.0%
Equity-to-Capital		50.0%	50.0%
Weighted Average Cost of Capital	[F14]	**10.17%**	**11.14%**
Weighted average cost of capital, rounded		**10.00%**	**11.00%**

Notes

[F1] Book value of debt used as an approximation of market value. For purposes of calculating capital structure preferred equity, if any, was added to debt at book value.

[F2] Represents current stock price times common shares outstanding.

[F3] Unlevered Equity Beta = Levered Equity Beta / [1 + (1 - Tax Rate) x Debt-to-Equity].

[F4] Based on enacted statutory rates in Ontario.

[F5] Levered Equity Beta = Unlevered Equity Beta x [1 + (1 - Tax Rate) x Debt-to-Equity].

[F6] 20 year U.S. Treasury Constant Maturity Yields as of the Valuation Date. Source: U.S. Federal Reserve.

[F7] Based on Deloitte resources.

[F8] Cost of Equity Capital = Risk Free Rate + [Equity Beta x Equity Risk Premium].

[F9] Based on the appropriate size premium from the Duffs and Phelps 2014 Cost of Capital Report.

[F10] Risk premium based on qualitative factors that reflect risks inherent in cash flows.

[F11] Based on the cost of debt for BB corporate bonds.

[F12] Based on enacted statutory rates in Ontario.

[F13] Based on comparables and estimated debt capacity of the Company.

[F14] WACC = [(Debt-to-Capital x Cost of Debt x (1 - Tax Rate)] + [Equity-to-Capital X Cost of Equity Capital].

Schedule 5E: Horizon Billing Services

2015 Valuation Summary

As of December 31, 2015 CAD 000'S	Low	High
DCF - Enterprise Value	12,576	14,069
DCF - Equity Value	12,576	14,069
Enterprise Value, Rounded Valuation Conclusion	**13,300**	
Equity Value, Rounded Valuation Conclusion	**13,300**	

Schedule 5F: Horizon Billing Services

2015 Discounted Cash Flow Summary

CAD 000'S	Notes		2016F	2017F	2018F	2019F	Terminal
			For the year ended December 31, Forecast operating results				
Revenue	[1]		13,943	14,510	14,624	14,887	15,185
Year-over-year growth			*NM*	*4.1%*	*0.8%*	*1.8%*	*2.0%*
Operating costs			(12,068)	(12,781)	(12,791)	(12,868)	(13,125)
EBITDA			1,875	1,729	1,833	2,019	2,059
% of revenue			*13.4%*	*11.9%*	*12.5%*	*13.6%*	*13.6%*
Less: Taxes			497	458	486	535	546
% of EBITDA	[2]		*26.5%*	*26.5%*	*26.5%*	*26.5%*	*26.5%*
After-tax cash flow			1,378	1,271	1,347	1,484	1,514
High							
Cash flow adjustments							
Capital expenditures	[3]		(262)	(176)	(151)	(301)	(307)
Tax shield on capital expenditures	[4]		44	30	25	51	52
Free Cash Flows			1,160	1,124	1,222	1,234	1,258
Terminal Value	[3]	2.0%					15,730
Probability of renewal							90%
Free Cash Flows			1,160	1,124	1,222	1,234	14,157
Percent of year remaining			100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting			0.50	1.50	2.50	3.50	3.50
Present value factor @		10.00%	0.9535	0.8668	0.7880	0.7164	0.7164
Present value of cash flows			**1,106**	**975**	**963**	**884**	**10,141**
Low							
Cash flow adjustments							
Capital expenditures	[3]		(262)	(176)	(151)	(301)	(307)
Tax shield on capital expenditures	[4]		43	29	25	49	50
Free Cash Flows			1,159	1,123	1,221	1,232	1,257
Terminal Value	[3]	2.0%					13,961
Probability of renewal							90%
Free Cash Flows			1,159	1,123	1,221	1,232	12,565
Percent of year remaining			100.0%	100.0%	100.0%	100.0%	100.0%
Periods discounting			0.50	1.50	2.50	3.50	3.50
Present value factor @		11.00%	0.9492	0.8551	0.7704	0.6940	0.6940
Present value of cash flows			**1,100**	**961**	**940**	**855**	**8,720**

Conclusion

		Low	High
Present value of cash flows		12,576	14,069
Add: Present value of tax benefit from	[4]		
Business enterprise value		12,576	14,069
Equity value		12,576	14,069
Equity value, rounded		12,600	14,100

Notes

[1] Based on forecasts provided by Management.

[2] Tax rates are based on the enacted tax rates for Ontario as of the Valuation Date.

[3] Terminal growth rate is estimated based on the EIU's estimate of inflation as of the Valuation Date.

[4] Balance sheet information, with PPE balances, specifically for Horizon's unregulated billing business were not provided to calculate the PV of the tax benefit from tangible assets.

Schedule 5G: Horizon Billing Services

2015 Projected Operating Results

CAD 000'S	For the period ending December 31, 2015	2016	2017	2018	2019
	[1]	[1]	[1]	[1]	[1]
Revenue					
Billing	4,515	4,660	4,810	4,965	5,125
Customer service	8,553	8,867	9,295	9,259	9,353
Other revenue	312	314	294	281	281
Interest income	96	102	111	119	128
Total revenue	13,476	13,943	14,510	14,624	14,887
Year-over-year growth	*NM*	*3.5%*	*4.1%*	*0.8%*	*1.8%*
Expenses					
Salaries and benefits	4,843	4,820	4,815	4,862	5,019
Operating costs	6,940	7,248	7,966	7,929	7,849
Total operating costs	11,783	12,068	12,781	12,791	12,868
EBITDA	**1,693**	**1,875**	**1,729**	**1,833**	**2,019**
Year-over-year growth					

Notes:

[1] Based on forecasts provided by Management.

Schedule 5H: Horizon Billing Services

2015 Weighted Average Cost of Capital

Ticker	Guideline Companies	Total Book Value of Debt	Total Book Value of Preferred	Total Market Value of Equity	Total Market Value of Capital	Debt to Capital	Equity to Capital	Historical Effective Tax Rate 5-Yr. Avg	Levered Equity Beta 5-YR	Historical Debt to Capital 5-YR	Unlevered Equity Beta
As of December 31, 2015											
		[F1]	[F1]	[F2]							
NZSE:CEN	Contact Energy Ltd.	1,049	-	3,286	4,335	24.2%	75.8%	27.0%	0.97	25.5%	0.78
MICEX:MRKP	Interregional Distribution Grid Company	437	-	140	577	75.8%	24.2%	26.5%	0.82	57.3%	0.41
PSE:MER	Manila Electric Co.	671	-	6,732	7,403	9.1%	90.9%	26.5%	0.95	8.1%	0.89
LSE:MRO	Melrose Industries PLC	891	-	4,103	4,994	17.8%	82.2%	35.6%	1.21	21.6%	1.03
										Selected	0.83

		Low	High
Unlevered Equity Beta	[F3]	0.79	0.88
Debt-to-Equity		100.0%	100.0%
Selected Subject Tax Rate	[F4]	26.5%	26.5%
Relevered Equity Beta	[F5]	**1.38**	**1.52**
Risk Free Rate	[F6]	2.29%	2.29%
Equity Risk Premium	[F7]	6.75%	6.75%
Levered Equity Beta		1.38	1.52
Cost of Equity Capital	[F8]	**11.57%**	**12.55%**
Company Specific Risk Premium			
Size Premium	[F9]	3.87%	3.87%
Company Specific Risk	[F10]	0.00%	1.00%
Country adjustment factor		-0.20%	-0.20%
Subject's Cost of Equity Capital		**15.24%**	**17.22%**
Subject's Estimated Pre-Tax Cost of Debt Capital	[F11]	7.0%	7.0%
Tax Rate	[F12]	26.5%	26.5%
After-Tax Cost of Debt		**5.15%**	**5.15%**
Debt-to-Capital	[F13]	50.0%	50.0%
Equity-to-Capital		50.0%	50.0%
Weighted Average Cost of Capital	[F14]	**10.19%**	**11.18%**
Weighted average cost of capital, rounded		**10.00%**	**11.00%**

Notes

[F1] Book value of debt used as an approximation of market value. For purposes of calculating capital structure preferred equity, if any, was added to debt at book value.

[F2] Represents current stock price times common shares outstanding.

[F3] Unlevered Equity Beta = Levered Equity Beta / [1 + (1 - Tax Rate) x Debt-to-Equity].

[F4] Based on enacted statutory rates in Ontario.

[F5] Levered Equity Beta = Unlevered Equity Beta x [1 + (1 - Tax Rate) x Debt-to-Equity].

[F6] 20 year U.S. Treasury Constant Maturity Yields as of the Valuation Date. Source: U.S. Federal Reserve.

[F7] Based on Deloitte resources.

[F8] Cost of Equity Capital = Risk Free Rate + [Equity Beta x Equity Risk Premium].

[F9] Based on the appropriate size premium from the Duffs and Phelps 2014 Cost of Capital Report.

[F10] Risk premium based on qualitative factors that reflect risks inherent in cash flows.

[F11] Based on the cost of debt for BB corporate bonds.

[F12] Based on enacted statutory rates in Ontario.

[F13] Based on comparables and estimated debt capacity of the Company.

[F14] WACC = [(Debt-to-Capital x Cost of Debt x (1 - Tax Rate)] + [Equity-to-Capital X Cost of Equity Capital].