

## PowerStream-Barrie Hydro Consolidated vs. Aggregated Pro Forma Financial Statement

Balance Sheet (\$ millions)		Pro Forma Consolidated	
		2009F (a)	2010F (b)
Current Assets			
1	Cash	53.2	46.1
2	Accounts Receivable	62.3	64.7
3	Unbilled Revenue	89.4	92.8
4	Inventory	8.9	9.2
5	Prepaid Expenses	1.6	1.7
6	Total Current Assets	215.4	214.5
7	Fixed Assets (Net of Acc.Depr)	651.0	695.6
8	Goodwill	42.6	42.6
Other Long Term Assets			
9	Restricted Cash (Customer Deposit)	16.4	16.6
10	Deferred Financing Charges	1.9	1.3
11	Other Intangibles	0.0	0.0
12	Other Assets	6.8	6.9
13	Total Other Long Term Assets	25.1	24.8
14	TOTAL ASSETS	934.1	977.5
Current Liabilities			
15	Accounts Payable/ Accrued Liabilities	122.5	127.1
16	Income Taxes Payable	2.0	2.0
17	Due to Related Parties	8.1	8.4
18	Liability for Subdivision Development	5.4	5.6
19	Total Current Liabilities	138.0	143.1
Long -Term Liabilities			
20	Note Payable - Markham & Vaughan	162.5	162.5
21	Note Payable - City of Barrie	20.0	20.0
22	Debenture Debt - EDFIN	125.0	125.0
23	New Long Term Debt	127.2	162.1
24	Total Long - Term Liabilities	434.7	469.6
Other Liabilities			
25	Regulatory Liabilities	41.4	26.5
26	Customer Deposits	16.4	16.6
27	Employee Future Benefits	10.5	11.2
28	Liability for Subdivision Development	8.0	6.0
29	Other Liabilities	0.0	0.0

30	Total Other Liabilities	76.3	60.3
31	TOTAL LIABILITIES	649.0	673.0
	Shareholder's Equity		
32	Common	225.3	225.3
33	Retained Earnings	60.4	79.2
34	Total Equity	<u>285.7</u>	<u>304.5</u>
35	TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	934.7	977.5

### Cash Flow Statement (\$ Millions)

	Operating Activities		
36	Net Income from Continuing Operations	24.7	31.1
	Non-Cash Items:		
37	Depreciation of Capital Assets	44.9	48.8
38	Amortization of Debt Issue Costs	0.6	0.6
39	Gains/Loss on Disposal	0.0	0.0
40	Employee Future Benefits	0.5	0.5
41	Funds from Operations	<u>70.7</u>	<u>81.0</u>
42	Regulatory Asset/Liability (Decrease)	7.5	(14.6)
43	Change in Working Capital	(0.8)	(0.9)
44	Cash Flows From Operations	<u>77.4</u>	<u>65.5</u>
	FINANCING ACTIVITIES		
45	Decrease in Liability for Subdivision Development	(2.0)	(2.0)
46	Increase (decrease) in New Debt	21.3	34.9
47	Change in Long-Term Customers Deposit, Net of Cash	0.0	0.0
48	Change in Other Liabilities	0.0	0.0
49	Change in Other Assets	0.0	0.0
50	Adjustment to Working Capital Deficiency	0.0	0.0
51	Special Dividend	0.0	0.0
52	Standard Dividend	(13.1)	(12.4)
53	Cash Flows From Financing	<u>6.2</u>	<u>20.5</u>
	INVESTING ACTIVITIES		
54	Fixed Asset Additions, Net of Capital Contributions	(109.6)	(93.4)
55	Change in Other Assets	0.1	0.1
56	Cash Flows From Operations	<u>(109.5)</u>	<u>(93.3)</u>
57	NET CASH IN CASH FOR THE YEAR	(25.9)	(7.3)
58	CASH BEGINNING OF THE YEAR	79.2	53.2

59	CASH END OF THE YEAR	53.3	45.9
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### Income Statement (\$ millions)

REVENUE			
60	Cost of Power	649.2	670.1
61	Distribution	151.3	161.9
62	Fiber	0.0	0.0
63	Miscellaneous Revenue	12.2	11.7
64	TOTAL REVENUE	812.7	843.7
65	Less: Cost of Power	649.2	670.1
66	NET REVENUE	163.5	173.6
COSTS			
67	Operation, Maintenance, Administration	58.8	53.7
68	EBITDA	104.7	119.9
69	Depreciation and Amortization	44.9	48.8
70	EBIT	59.8	71.1
71	Interest Expenses	24.1	26.4
72	EBT Before Extraordinary Items	35.7	44.7
73	EBT	35.7	44.6
74	Tax Rate	33.00%	32.00%
75	provision for Income taxes	11.8	14.3
76	Less Taxes paid in previous years (regulatory assets)	0.8	0.8
77	NET INCOME	24.7	31.1
Statement of Retained Earnings			
78	Opening Retained Earnings	48.8	60.4
79	Add: Net Income	24.7	31.1
Deduct: Allowance for (Excess)/ Deficient Working Capital			
80	Standard Dividend	(13.1)	(12.4)
81	Special Dividend	0.0	0.0
82	Closing Retained Earnings	60.4	79.1

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### Aggregated Invidual Utilities if no Merger

<b>2009F</b>	<b>2010F</b>
(c)	(d)
54.9	43.5
62.4	64.7
89.4	92.8
8.9	9.3
1.6	1.7
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217.2	212.0
651.0	695.6
42.6	42.6
16.3	16.7
1.9	1.3
0.0	0.0
7.0	6.9
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25.2	24.9
<hr/>	<hr/>
936.0	975.1
<hr/>	<hr/>
122.4	127.1
2.0	2.0
8.2	8.4
5.3	5.6
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137.9	143.1
162.5	162.5
20.0	20.0
125.0	125.0
127.1	162.0
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434.6	469.5
41.1	26.5
16.3	16.7
10.5	11.2
8.0	6.0
0.0	0.0
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75.9	60.4
648.4	673.0
225.3	225.3
62.1	77.4
<b>287.4</b>	<b>302.7</b>
935.8	975.7

26.3	27.7
44.9	48.8
0.6	0.6
0.0	0.0
0.5	0.5
<b>72.3</b>	<b>77.6</b>
7.5	(14.6)
(0.8)	(0.9)
<b>79.0</b>	<b>62.1</b>

(2.0)	(2.0)
21.3	34.9
0.0	0.0
0.0	0.0
0.0	0.0
0.0	0.0
0.0	0.0
(13.1)	(12.4)
<b>6.2</b>	<b>20.5</b>

(109.6)	(93.4)
0.1	0.1
<b>(109.5)</b>	<b>(93.3)</b>

(24.3)	(11.3)
79.2	54.9

54.9	43.6
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649.3	670.0
151.3	161.9
0.0	0.0
12.1	11.7
812.7	843.6
649.3	670.0
163.4	173.6

56.4	58.8
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107.0	114.8
44.9	48.8
62.1	66.0

24.1	26.4
38.0	39.6

38.0	39.6
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33.00%	32.00%
12.5	12.7
0.8	0.8

26.3	27.7
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48.9	62.1
26.3	27.7

(13.1)	(12.4)
0.0	0.0
62.1	77.4