

## **Merger of Utilities will Reduce Costs and Increase Shareholder Return, Horizon Utilities tells Hamilton City Council**

*Proposal will lower customer electricity bills on average \$7 million every year and boost City of Hamilton annual dividend \$3.8 million by merging Horizon Utilities, Enersource, PowerStream, Hydro One Brampton.*

**HAMILTON, ON – September 30, 2015** –Horizon Utilities President and CEO, Max Cananzi, today presented the business plan of the proposed merger of Horizon with three GTHA electrical utilities at a special meeting of Hamilton City Council. The business plan details how the merger will generate clear economic and operational benefits to customers and the municipal shareholder.

“This new single utility allows us to create significant economies of scale,” said Cananzi. “This will help us reduce the impact of the rising cost of electricity that all of our customers are facing. It will also allow us to improve our returns to our municipal shareholders.”

The City of Hamilton's dividend payment is expected to rise from, on average, \$13 million to \$16.8 million a year over the next 24 years. Customers can expect, on average, to see a reduction in the distribution charges on their bills of approximately \$40 per year – about \$7 million annually across the utility's customer base in Hamilton over the same period as compared to the status quo.

In total, the merger will inject almost \$11 million in new money – rate savings and dividends – into the Hamilton economy every year on average compared to not merging over a 2016-2039 forecast period.

The proposed merger of Horizon Utilities, Enersource (owned by the City of Mississauga and Borealis, a subsidiary of OMERS, the pension fund for Ontario's municipal employees), and PowerStream (owned by the City of Vaughan, the City of Barrie, and the City of Markham) will, with the acquisition of Hydro One Brampton (presently owned by the Government of Ontario), create a new single utility serving over 900,000 customers.

The head office of the utility operations company will be located in Hamilton. The corporate head office will be located in Mississauga. A sustainability and innovation head office will be established in Vaughan. Customers will be served through the current existing six service centers, one in each of Hamilton, St. Catharines, Mississauga, Brampton, Markham, and Barrie.

There will be some job reduction from each of the four original utilities. These will be addressed through retirements, normal attrition and voluntary exits to the greatest extent possible.

Details of the business plan are available on Horizon's website ([horizonutilities.com](http://horizonutilities.com)). Given the multiple municipal shareholders involved in the merger and the timing of various council meetings, the process of presenting the business plan and subsequent approval votes will occur throughout the month of October.

Cananzi said, “This is a very important time for our shareholders, the City of Hamilton and the City of St. Catharines. This transaction represents an exciting opportunity and considerable value to our customers and municipalities. We want to ensure that Council has sufficient time to examine the plan before they vote on its approval.”

**About Horizon Utilities Corporation**

Horizon Utilities Corporation is proud to be Canada's first *Sustainable Electricity Company™*, a designation of the Canadian Electricity Association. The company, which provides electricity and related utility services to 242,000 customers in Hamilton and St. Catharines, is one of the largest municipally owned electricity distribution companies in Ontario. In addition to triple bottom line reporting on its own operations, the company leverages its assets and resources to contribute to the sustainability of its communities. This includes conservation implementation through energy mapping and a customer connection policy that follows smart growth principles. Horizon Utilities' employees are committed to delivering a safe and reliable supply of electricity, providing unparalleled customer value, and helping to create a culture of energy conservation in Ontario. The company has been named a Top 10 Employer in Hamilton-Niagara four years running. Learn more at [horizonutilities.com](http://horizonutilities.com) or follow @HorizonLink.

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