

## Newmarket-Tay Power announces purchase of Midland Power

**NEWMARKET, Ontario, April 24, 2017** – Newmarket-Tay Power Distribution Ltd.'s (NT Power) offer to purchase Midland Power Utility Corporation (MPUC) has been accepted by the Town of Midland (pending contract finalization). This merger will add value for customers and shareholders in the municipalities of Newmarket, Tay and Midland.

“By joining forces this makes us a more competitive utility and will enable us to have greater flexibility in managing future rate increases and limiting the impact on consumers, all of which helps to protect shareholder value in the long term,” says Paul Ferguson, NT Power President.

The Township of Tay and the Town of Midland border each other which presents a number of strong synergy opportunities between NT Power and MPUC. The two utilities are already working together for after-hours service. While Newmarket is over 100 kilometres away, this also acts as a benefit, as each community could take advantage of geography to deploy critical resources during weather-related emergencies.

The resulting amalgamation of NT Power and MPUC will create cost savings through the realization of efficiencies over time. By eliminating certain duplicate costs and enhancing administrative efficiencies, there is expected to be a significant annual cost savings. By combining the resources of the two existing utilities it will better position the combined utility to respond to industry changes and evolving customer requirements by sharing costs over a larger customer base.

A combined utility's inventory also presents savings opportunities as large capital equipment can be shared between the communities as needed while economies of scale produce lower unit costs on purchased materials and services. No job losses will result from the transaction. For customers, there will be no changes as MPUC customers will continue to contact the local business office they currently do and there will be no impact for Newmarket and Tay customers.

The sale of MPUC has been agreed to in principle and will be submitted to the Ontario Energy Board for approval following finalization of contract terms and Public Information Centres hosted by the Town of Midland, the Town of Newmarket and the Township of Tay. The process is expected to take several months to complete.

### **About Newmarket-Tay Power Distribution**

Newmarket-Tay Power Distribution Ltd. is an electricity distributor licensed by the Ontario Energy Board. It provides electricity distribution services in the Town of Newmarket and certain parts of the Township of Tay. The shareholders are the Town of Newmarket and the Township of Tay. Newmarket-Tay Power currently serves approximately 35,000 electricity distribution customers across its two service areas.

### **About Midland Power Utility Corporation**

Midland Power Utility Corporation is currently owned by the Town of Midland, serving over 7,100 customers with a service area of 20 square kilometers within the Town of Midland.

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