

MEDIA RELEASE

Sale of Midland PUC to Newmarket-Tay Power Distribution Ltd. Finalized

FOR IMMEDIATE RELEASE

(MIDLAND, ON) The amalgamation of Midland PUC (MPUC) and Newmarket-Tay Power Distribution Ltd. (NT Power) has now been finalized, with the closing of the sale and transfer of service and properties to NT Power.

“MPUC and its dedicated hard-working staff have provided high quality reliable hydro services to the Town for generations.” said Mayor Gord McKay. “Ensuring that every one of those employees would have a job in the new organization was a key component of the sale. I am pleased that we were able to accomplish that.”

Council voted to sell MPUC in June of 2016, in large part due to the challenges of delivering innovation in a highly-competitive regulatory environment. The financial capacity to provide research and service innovation within a small utility presents some very real challenges. The Town initiated a Request for Proposals in November 2016 to find a potential buyer, and on April 21, 2017, the Town agreed to sell MPUC to NT Power for the amount of \$22 million.

The funds from the sale will be used in the following way:

- \$1,500,000 – A **Dividend Replacement Reserve**, to end the Town’s reliance on the historical MPUC dividend over the next five years.
- \$10,500,000 – A **MPUC Legacy Reserve Fund** that will be permanently invested (initial capital is never touched) with the interest from those investments being used to benefit the community.
- \$10,000,000 – A **Community-Wide Initiatives Reserve Fund**, used by Council as an internal bank to invest in specific projects it deems appropriate.

“These investments will provide the financial flexibility to fund key projects and initiatives for years to come,” added McKay. “That, combined with ensuring the long-term stability of our power distribution is a major step forward for the Town of Midland.”

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