



EB-2009-0180
EB-2009-0181
EB-2009-0182
EB-2009-0183

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an application pursuant to section 60(1) of the *Ontario Energy Board Act, 1998* by 1798594 Ontario Inc. seeking an electricity distribution licence;

AND IN THE MATTER OF an application pursuant to section 86(1)(a) of the *Ontario Energy Board Act, 1998* by Toronto Hydro Energy Services Inc. seeking an order granting leave to sell streetlighting assets as an entirety or substantially as an entirety to 1798594 Ontario Inc.;

AND IN THE MATTER OF an application pursuant to section 86(1)(b) of the *Ontario Energy Board Act, 1998* by Toronto Hydro Energy Services Inc. seeking an order granting leave to sell streetlighting assets necessary in serving the public to 1798594 Ontario Inc.;

AND IN THE MATTER OF an application pursuant to section 86(1)(c) by Toronto Hydro-Electric System Limited and 1798594 Ontario Inc. seeking leave to amalgamate;

AND IN THE MATTER OF a request pursuant to section 77(5) of the *Ontario Energy Board Act, 1998* by 1798594 Ontario Inc. seeking the cancellation of the distribution licence applied for in a separate application under section 60(1) of the *Ontario Energy Board Act, 1998*.

AND IN THE MATTER OF an application pursuant to section 18(2) of the *Ontario Energy Board Act, 1998* by 1798594 Ontario Inc. and Toronto Hydro-Electric System Limited for an order assigning Toronto Hydro-Electric System Limited's electricity distribution licence to a proposed amalgamated entity consisting of 1798594 Ontario Inc. and Toronto Hydro-Electric System Limited.

PROCEDURAL ORDER NO. 2

On June 15, 2009, Toronto Hydro Corporation's subsidiaries, 1798594 Ontario Inc. ("NewCo"), Toronto Hydro Energy Services Inc. ("THESI") and Toronto Hydro-Electric System Limited ("THESL") filed applications with the Ontario Energy Board (the "Board") under sections 60(1), 86(1)(a)(b)(c) and 77(5) of *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B) (the "Act"). The Board has assigned the applications file numbers EB-2009-0180, EB-2009-0181, EB-2009-0182 and EB-2009-0183.

The applications collectively seek a declaration by the Board that the assets associated with streetlighting in the City of Toronto (the "SEL System") are deemed a distribution system and, ultimately, to make the streetlighting assets owned by THESI part of a new amalgamated distribution company consisting of THESL and NewCo ("NewTHESL"). Specifically, NewCo has applied for a distribution licence under section 60(1) of the Act to own and operate the streetlighting system in the City of Toronto. In the same application, NewCo seeks a declaration by the Board that the SEL System is deemed a distribution system. THESI currently owns, and pursuant to a service agreement with the City of Toronto, operates and maintains the SEL System. THESI has applied to the Board for leave to sell its SEL System to NewCo under sections 86(1)(a) and (b) of the Act. If all Board approvals sought are granted, THESI intends to transfer the SEL System and the related service agreement to NewCo. Furthermore, NewCo and THESL applied under section 86(1)(c) of the Act for an order granting leave to amalgamate.

In their original applications, NewCo and THESL requested to cancel THESL's existing electricity distribution licence under section 77(5) of the Act and requested that the Board issue a new electricity distribution licence to NewTHESL under section 60(1) of the Act. However, in response to Board Staff Interrogatory No. 3, the applicants indicated that, instead of a new licence for NewTHESL, the applicants now seek an order assigning THESL's electricity distribution licence to the amalgamated entity, NewTHESL, under section 18(2) of the Act. The application is hereby amended by this Procedural Order and the title of the proceeding is amended accordingly.

The effect of the proposed licensing, asset transfer and merger transactions is to create an electricity distribution company for the City of Toronto, which includes the streetlighting system.

The Board's Notice of Applications and Hearing dated July 21, 2009 was published and served by the applicants as directed by the Board. Procedural Order No. 1 was issued on August 26, 2009, in which the Board confirmed the intervenors in the proceeding and determined eligibilities for cost awards. Procedural Order No.1 also made provision for interrogatories ("IRs") and responses to IRs with respect to the applications, filing of intervenor evidence, IRs on intervenor evidence and response to those IRs. Board staff and intervenor IRs and responses to those IRs were filed with the Board. No one filed evidence.

The Board intends to conduct an oral hearing and has scheduled three days for that purpose: November 16, 17 and 19, 2009. The Board may extend the hearing for a fourth day, November 20, 2009, if it so determines at the time.

The Board considers it necessary to make provision for the following matters related to this proceeding at this time. The Board may amend this procedural order or issue further procedural orders from time to time.

THE BOARD ORDERS THAT:

1. The oral hearing is scheduled to commence at 9:30 a.m. on Monday, November 16 2009, in the North Hearing Room, 25th floor at the Board offices, 2300 Yonge Street, Toronto.
2. The Applicants shall provide a witness panel list to the Board and all intervenors no later than November 6, 2009.
3. Any filings to the Board must quote file numbers EB-2009-0180, EB-2009-0181, EB-2009-0182 and EB-2009-0183, be made through the Board's web portal at www.errr.oeb.gov.on.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use

the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.oeb.gov.on.ca. If the web portal is not available you may email your document to the address below. Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

4. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

ADDRESS OF THE BOARD

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Attention: Board Secretary

Tel: 1-877-632-2727 (toll free)
Fax: 416-440-7656
E-mail: Boardsec@oeb.gov.on.ca

ISSUED at Toronto, October 21, 2009

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary