



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. 3

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. If the Board grants leave to THESL and NewCo to amalgamate, THESL and NewCo request:

- (a) an order cancelling the electricity distribution licence of NewCo under section 77(5) of the Act; and
- (b) an order assigning THESL's electricity distribution licence to the amalgamated entity, NewTHESL, under section 18(2) of the Act.

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.

Procedural Order No. 2 was issued on October 21, 2009, in which the Board indicated that it would proceed by way of an oral hearing and scheduled three days for that purpose: November 16, 17 and 19, 2009. The Board also indicated that it may extend the hearing for a fourth day, November 20, 2009.

By letter dated October 27, 2009, the counsel for the applicants requested that the hearing be rescheduled to commence on November 17, 2009 to accommodate the schedule of one of the key witnesses of the applicants. By letter dated October 28, 2009, Energy Probe Research Foundation, an intervenor in this proceeding supported the applicants’ request.

The Board finds it appropriate to grant the applicants’ request to allow for the participation of one of their key witnesses in the hearing from its commencement date. Therefore, the oral hearing will be rescheduled to commence on November 17, 2009. The Board has also scheduled November 19 and 20, 2009 for the purpose of this hearing.

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 rescheduled to commence at 9:30 a.m. on Tuesday, November 17 2009, in the North Hearing Room, 25th floor at the Board offices, 2300 Yonge Street, Toronto.
2. 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.

3. 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 29, 2009

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary