



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

NOTICE OF APPLICATION AND HEARING

**Application by 1798594 Ontario Inc. for a distribution licence;
Applications by Toronto Hydro Energy Services Inc. and
1798594 Ontario Inc. for leave to sell street lighting assets; and
Application by Toronto Hydro-Electric System Limited and
1798594 Ontario Inc. for leave to amalgamate**

The Applications

On June 15, 2009, Toronto Hydro Corporation's ("Toronto Hydro") 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 the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B) (the "Act").

The applications collectively seek a declaration by the Board that the assets associated with street lighting in the City of Toronto are deemed a distribution system and, ultimately, to make the street lighting assets owned by THESI part of a new amalgamated distribution company consisting of THESL and NewCo ("NewTHESL"). To facilitate this, a newly established subsidiary of Toronto Hydro, NewCo has applied for a distribution licence. THESI intends to sell its street lighting assets to NewCo. Thereafter, NewCo and THESL expect to amalgamate, cancel their existing distribution licences and operate under a newly

issued distribution licence under the name of Toronto Hydro-Electric System Limited ("NewTHESL").

THESL, THESI, and NewCo are collectively referred to as the "Applicants" in this Notice. Pursuant to its power under section 21(5) of the Act, the Board will consider these applications together through a consolidated hearing.

The following are the Board orders sought by the Applicants along with the respective Board assigned file numbers:

1. an order granting NewCo an electricity distribution licence under section 60 of the Act (Board File No. EB-2009-0180);
2. an order granting THESI leave to sell its street lighting assets to NewCo under section 86(1)(a) of the Act (Board File No. EB-2009-0181);
3. an order granting THESI leave to sell its street lighting assets to NewCo under section 86(1)(b) of the Act (Board File No. EB-2009-0182); and
4. an order granting THESL leave to amalgamate with NewCo, creating a new amalgamated entity under section 86(1)(c) of the Act (Board File No. EB-2009-0183). If the Board grants leave to THESL and NewCo to amalgamate, THESL and NewCo request:
 - a. an order granting the amalgamated entity, ("NewTHESL"), an electricity distribution licence under section 60 of the Act;
 - b. an order cancelling the electricity distribution licence of THESL under section 77(5) of the Act; and
 - c. an order cancelling the electricity distribution licence of NewCo under section 77(5) of the Act.

The Applicants state that NewCo will pay \$60.066 million to THESI in return for the transfer of the street lighting system. The Applicants further state that NewCo will only exist as a stand alone entity momentarily in order to facilitate its amalgamation with THESL. If the amalgamation is granted, the Applicants state NewTHESL will update its 2010 EDR filing to include the streetlight system for rates and charges to be effective May 1, 2010.

The Applicants further state that the amalgamation of THESL and NewCo is not expected to affect residential, commercial or industrial consumer distribution rates. The street lighting system costs will be directly allocated to the specific street lighting/unmetered scattered load customers and any revenues generated from those assets will be applied as revenue offset for any potential rate increase for this class of customer.

The purpose of the applications is to unite street lighting infrastructure located in the City of Toronto with the balance of THESL's distribution system. The Applicants submit that incorporating the street lighting system within a single distribution utility will result in enhanced safety, increased efficiencies and reliability and the prevention of unauthorized access to street lighting infrastructure.

How to see the Application

Copies of the application are available for inspection at the Board's office in Toronto and at 1798594 Ontario Inc., THESL and THESI's offices.

How to Participate

You may participate in this proceeding in one of three ways:

1. Send a Letter with your Comments to the Board

Your letter with comments will be provided to the Board members deciding the application, and will be part of the public record for the application. Your letter must be received by the Board no later than **30 days** from the publication or service date of this notice. The Board accepts letters of comment by either post or e-mail at the addresses below.

2. Become an Observer

Observers do not actively participate in the proceeding but monitor the progress of the proceeding by receiving documents issued by the Board.

You may request observer status in order to receive documents issued by the Board in this proceeding. If you become an observer, you need to contact the Applicants and others in order to receive documents that they file in this proceeding and they may charge you for this. Most documents filed in this application will also be available on the Board's website. Your request for observer status must be made in writing and be received by the Board no later than **10 days** from the publication or service date of this notice. The Board accepts observer request letters by either post or e-mail at the addresses below; however, two paper copies are also required. You must also provide a copy of your letter to the Applicants.

3. Become an Intervenor

You may ask to become an intervenor if you wish to actively participate in the proceeding. Intervenors are eligible to receive evidence and other material submitted by participants in the hearing. Likewise, intervenors will be expected to send copies of any material they file to all parties to the hearing.

Your request for intervenor status must be made by letter of intervention and be received by the Board no later than **10 days** from the publication or service date of this notice. Your letter of intervention must include a description of how you are, or may be, affected by the outcome of this proceeding; and if you represent a group, a description of the group and its membership. The Board may order costs in this proceeding. You must indicate in your letter of intervention whether you expect to seek costs from the Applicants and the grounds for your eligibility for costs. You must provide a copy of your letter of intervention to the Applicants.

The Board may proceed in this matter by way of a written hearing or an oral hearing. The Board will not hold a written hearing if a party satisfies the Board that there is good reason for holding an oral hearing. Your letter of intervention should indicate your preference for a written or oral hearing, and the reasons for that preference.

If you already have a user ID, please submit your intervention request through the Board's web portal at www.errr.oeb.gov.on.ca. Additionally, two paper copies are required. If you do not have a user ID, please visit the Board's website under e-filings and fill out a user ID password request. For instructions on how to submit and naming conventions please refer to the RESS Document Guidelines found at www.oeb.gov.on.ca, e-Filing Services. The Board also accepts interventions by e-mail, at the address below, and again, two additional paper copies are required. Those who do not have internet access are required to submit their intervention request on a CD or diskette in PDF format, along with two paper copies.

How to Contact Us

In responding to this Notice, please include Board file number EB-2009-0180/0181/0182/0183 in the subject line of your e-mail or at the top of your letter. It is also important that you provide your name, postal address and telephone number and, if available, an e-mail address and fax number. 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.

Need More Information?

Further information on how to participate may be obtained by visiting the Board's website at www.oeb.gov.on.ca or by calling our Consumer Relations Centre at 1-877-632-2727.

IMPORTANT

IF YOU DO NOT NOTIFY THE BOARD OF YOUR INTENTION TO PARTICIPATE IN THIS PROCEEDING IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED WITHOUT YOUR PARTICIPATION AND YOU WILL NOT BE ENTITLED TO FURTHER NOTICE IN THE PROCEEDING.

Addresses**The Board:**

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

Attention: Board Secretary

Filings : www.errr.oeb.gov.on.ca
E-mail: Boardsec@oeb.gov.on.ca
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The Applicants:

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DATED at Toronto, July 21, 2009

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary