



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 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. and Toronto Hydro-Electric System Limited seeking the cancellation of their distribution licences.

AND IN THE MATTER OF an application pursuant to section 60 of the *Ontario Energy Board Act, 1998* by Toronto Hydro-Electric System Limited for an electricity distribution licence.

PROCEDURAL ORDER NO. 1

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 *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 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 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 assets associated with streetlighting in the City of Toronto are deemed a distribution system. THESI currently owns, and pursuant to a service agreement with the City of Toronto, operates and maintains the streetlighting system in the City of Toronto. THESI has applied to the Board for leave to sell its streetlighting 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 streetlighting 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 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 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 issued a Notice of Applications and Hearing on July 21, 2009. In addition to requiring the Notice be published the Notice was sent to all electrical distributors in Ontario among other parties.

The following parties requested and are granted intervenor status in this proceeding: the City of Toronto, the Electricity Distributors Association (“EDA”), the Electrical Contractors Association of Ontario (“ECAO”) and Greater Toronto Electrical Contractors Association (“GTECA”), Energy Probe Research Foundation (“Energy Probe”), Hydro Ottawa Limited, Powerstream Inc., Save the Toronto Bluffs, the School Energy Coalition (“SEC”), Veridian Connections Inc. and the Vulnerable Energy Consumers Coalition (“VECC”). An intervenor list is attached as Appendix A to this procedural order.

The City of Toronto, ECAO/GTECA, Energy Probe, SEC and VECC have also applied for cost eligibility. The Board has determined that the ECAO/GTECA, Energy Probe, SEC and VECC are eligible to apply for an award of costs under the Board’s Practice Direction on Cost Awards. However, the Board has determined that the City of Toronto, as the effective owner of an electricity distributor that is an applicant in this proceeding, is not eligible for cost awards.

Given the nature of these applications, the Board is not yet in a position to determine what, if any, benefits flow to the ratepayers of Toronto Hydro Electric System Limited. Therefore, the Board places the parties on notice that a determination of which entity or entities shall be assessed the costs of this proceeding will be determined once the Board can consider the record of this proceeding in that regard.

In addition, the following parties requested and are granted observer status in this proceeding: Enwin Utilities, Halton Hills Hydro, PUC Distribution Inc., Whitby Hydro Electric Corporation, and Woodstock Hydro Services Inc.

The Board may proceed with these applications by way of either a written or an oral hearing and will make a determination regarding the form of the hearing at a later date.

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 THEREFORE ORDERS THAT:

1. To the extent that they have not already done so, the Applicants shall immediately provide a copy of the applications to the intervenors, together with a copy of all other materials filed by the Applicants in this proceeding.
2. Intervenors or Board staff who wish information and material from the Applicants that is in addition to the Applicant's pre-filed evidence with the Board, and that is relevant to the hearing, shall request it by written interrogatories filed with the Board and delivered to the Applicants on or before **September 11, 2009**. Where possible, the questions should specifically reference the pre-filed evidence.
3. The Applicants shall file with the Board complete responses to the interrogatories and deliver them to the intervenors no later than **September 25, 2009**.
4. Intervenors or Board staff who wish to submit evidence regarding the application must file that evidence with the Board and deliver it to the Applicants and all intervenors on or before **October 5, 2009**.
5. Any party (Intervenor, Board staff or the Applicant) that wishes information and material from another party that is in addition to the evidence filed with the Board, and that is relevant to the hearing, shall request it by written interrogatories filed with the Board and delivered to the party who submitted the evidence on or before **October 15, 2009**.
6. Responses to interrogatories with respect to intervenor and/or Board Staff evidence shall be filed with the Board and delivered to all parties on or before **October 29, 2009**.
7. 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.

8. 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, August 26, 2009

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A to

Procedural Order No. 1

**1798594 Ontario Inc.
Toronto Hydro Energy Services Inc.
Toronto Hydro-Electric System Limited**

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

DATED: August 26, 2009

**1798594 Ontario Inc.
Toronto Hydro Energy Services Inc.
Toronto Hydro-Electric System Limited
EB-2009-0180/EB-2009-0181/EB-2009-0182/EB-2009-0183**

APPLICANTS & LIST OF INTERVENORS

August 26, 2009

Applicants

Rep. and Address for Service

1798594 Ontario Inc.

Lawrence Wilde

14 Carlton Street
Toronto, ON M5B 1K5

Tel: 416-542-2896

Fax: 416-542-2540

Email: lwilde@torontohydro.com

**Toronto Hydro Energy Services
Inc.**

Chris Tyrrell

10 Belfield Road
Toronto, ON M9W 1G1

Tel: 416-640-9708

Fax: 416-542-2511

Email: ctyrrell@torontohydro.com

**Toronto Hydro-Electric System
Limited**

Pankaj Sardana

14 Carlton Street
Toronto, ON M5B 1K5

Tel: 416-542-2707

Fax: 416-542-3031

Email: psardana@torontohydro.com

Counsel for the Applicants

Rodger J. Mark

Borden Ladner Gervais LLP

Scotia Plaza
40 King Street West
Toronto, ON M5H 3Y4

Tel: 416-367-6190

Fax: 416-361-7088

Email: mrodger@blgcanada.com

- | Intervenors | Rep. And Address for Service |
|---|--|
| 1. City of Toronto | Ian Blue, Q.C.
Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Tel: 416-869-5352
Fax: 416-350-6921
Email: ibblue@casselsbrock.com |
| AND | Lorraine Searles-Kelly
Legal Services
55 John Street - 25 th Floor
Stn. 1260, Metro Hall
Toronto, ON M5V 3C6

Tel: 416-392-7240
Fax: 416-397-5624
Email: lsearles@toronto.ca |
| 2. Electrical Contractors association of Ontario (ECAO) and Greater Toronto Electrical Contractors Association (GTECA) | Ian Mondrow
Counsel
MacLeod Dixon, LLP
TD Centre, TD Waterhouse Tower
79 Wellington Street, ON M5K 1H1

Tel: 416-203-4435
Fax: 416-360-8277
Email: ian.mondrow@macleoddixon.com |
| 3. Electricity Distributors Association (EDA) | Maurice Tucci
Policy Director, Distribution & Regulation
3700 Steeles Aveue
Suite 1100
Vaughan, ON L4L 8K8

Tel: 905-265-5300
Fax: 905-265-5301
Email: mtucci@eda-on.ca |

4. **Energy Probe Research
Foundation**

David MacIntosh
Energy Probe
Consultant
Energy Probe
225 Brunswick Avenue
Toronto ON M5S 2M6

Tel: 416-964-9223 Ext: 235
Fax: 416-964-8239
Email: DavidMacIntosh@nextcity.com

AND

Peter T. Faye
Barrister and Solicitor
42 Eastwood Crescent
Markham, ON L3P 5Z7

Tel: 905-294-2013
Fax: Not provided
Email: pfaye@rogers.com

5. **Hydro Ottawa Limited**

Lynne Anderson
Chief Regulatory and Government Relations
Officer
Hydro Ottawa Limited
3025 Albion Road N.
P.O. Box 8700
Ottawa ON K1G 3S4

Tel: 613-738-5499 Ext: 527
Fax: 613-738-6403
Email: lynneanderson@hydroottawa.com

6. **PowerStream Inc.**

Sarah Griffiths
Manager, Regulatory Affairs
PowerStream Inc.
161 Cityview Boulevard
Vaughan ON L4H 0A9

Tel: 905-532-4527
Fax: 905-532-4557
Email: sarah.griffiths@powerstream.ca

7. **Save The Toronto Bluffs**

John Laforet
3304 -18 Yonge Street
Toronto, ON M5E 1Z8

Tel: 416-879-2628
Fax: Not provided
Email: john.laforet@laforet.ca

8. **School Energy Coalition**

John De Vellis
Shibley Righton LLP
250 University Avenue
Suite 700
Toronto, ON M5H 3E5

Tel: 416-214-5224
Fax: 416-214-5424
Email: john.devillis@shibleyrighton.com

AND

Bob Williams
Coordinator, SEC, c/o OPSBA
School Energy Coalition
439 University Ave. 18th Floor
Toronto ON M5G 1Y8

Tel: 416-340-2540
Fax: 416-340-7571
Email: bwilliams@opsba.org

9. **Vulnerable Energy Consumers Coalition (VECC)**

Michael Buonaguro
Counsel for VECC
34 King Street East
Suite 1102
Toronto, ON M5C 2X8

Tel: 416-767-1666
Fax: 416-348-0641
Email: mbuonaguro@piac.ca

AND

Roger Higgin
Econalysis Consulting Services Inc.
34 King Street East.
Suite 1120
Toronto ON M5C 2X8

Tel: 416-348-0193
Fax: 416-348-0641
Email: rhiggin@econalysis.ca

AND

William Harper
Econalysis Consulting Services Inc.
34 King Street East.
Suite 1102
Toronto ON M5C 2X8

Tel: 416-348-0193 Ext: 29
Fax: 416-348-0641
Email: bharper@econalysis.ca

10. **Veridian Connections Inc.**

Mr. George Armstrong
Manager of Regulatory Affairs and Key
Projects
55 Taunton Road East
Ajax, ON L1T 3V3

Tel: 905-427-9870, Ext. 2202
Fax: 905-619-0210
Email: garmstrong@veridian.on.ca

AND

Mr. Stephen Zebrowski
Regulatory and Key Projects Analyst
55 Taunton Road East
Ajax, ON L1T 3V3

Tel: 905-427-9870, Ext. 3274
Fax: 905-619-0210
Email: szebrowski@veridian.on.ca