



EB-2011-0328
EB-2011-0329

**NOTICE OF APPLICATION AND WRITTEN HEARING FOR
LEAVE TO AMALGAMATE
CHATHAM-KENT HYDRO INC. AND MIDDLESEX
POWER DISTRIBUTION CORPORATION**

The Application

Chatham-Kent Hydro Inc. ("Chatham-Kent"), a licensed electricity distributor, has filed an application with the Ontario Energy Board, received on August 31, 2011, under section 86(1)(c) of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B) (the "Act"). The application requests leave of the Board to amalgamate with Middlesex Power Distribution Corporation ("Middlesex"). Chatham-Kent and Middlesex have also filed an application (EB-2011-0329), under section 74 of the Act to amend Chatham-Kent's electricity distribution licence to include in its service area the area currently served by Middlesex and have also requested that Middlesex's electricity distribution licence be cancelled. The Board will hear these matters together, pursuant to section 21(5) of the Act.

Chatham-Kent and Middlesex are each 100% owned by Chatham-Kent Energy, a holding company that is 90% owned by the Municipality of Chatham-Kent and 10% by Corix Energy Inc.

Chatham-Kent Energy has owned Chatham-Kent since its incorporation on September 22, 2000. On June 24, 2005, the Board approved the acquisition of all the shares of Middlesex by Chatham-Kent Energy. Chatham-Kent and Middlesex have remained distinct legal entities operating under separate licences with common corporate and financial oversight from Chatham-Kent Energy.

The proposed amalgamation would create a single legal entity operating under the Chatham-Kent licence. The applicant intends to close the proposed transaction on December 31, 2011. The applicant submits that the proposed transaction meets the “No Harm Test” established by the Board and will have no adverse effect on the Board’s objectives outlined in section 1 of the Act. Chatham-Kent has also stated that there will be cost savings and operational efficiencies by amalgamating the two distributors.

Currently, the rates charged for the delivery of electricity to customers by the two distributors are not equal. Chatham-Kent and Middlesex are due to file a cost of service application in 2014. The applicant has requested that the rebasing be deferred for two years, to May 1, 2016, to allow it to realize anticipated efficiencies and recover the costs associated with the proposed transaction.

How to see Chatham-Kent’s Application

Copies of the application are available for inspection at the Board’s office in Toronto and on its website, www.ontarioenergyboard.ca/OEB/Industry , and at Chatham-Kent’s office and may be on its website.

Written Hearing

The Board intends to proceed with this matter by way of a written hearing unless a party satisfies the Board that there is a good reason for not holding a written hearing. If you object to the Board holding a written hearing in this matter, you must provide written reasons why an oral hearing is necessary. Any submissions objecting to a written hearing must be received by the Board and copied to the applicant within **10 days** of the publication or service date of this notice.

How to Participate

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

1. Become an Intervenor

Intervenors participate actively in the proceeding (i.e., submit written questions, evidence, and arguments, and cross-examine witnesses at an oral hearing).

A 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. A letter of intervention must include: (a) a description of how you are, or may be, affected by the outcome of this proceeding; (b) if you represent a group, a description of the group and its membership; and (c) whether you intend to seek an award of costs and the grounds for your cost award eligibility.

You must provide a copy of your letter of intervention to the applicant.

Everything an intervenor files with the Board, including the intervenor's name and contact information, will be placed on the public record, which means that all filings will be available for viewing at the Board's offices and will be placed on the Board's website.

If you already have a user ID, please submit your intervention request through the Board's web portal at www.errr.ontarioenergyboard.ca. Additionally, two paper copies must be submitted to the address set out below.

If you do not have a user ID, visit the Board's website under e-Filing Services and complete a user ID/password request form. For instructions on how to submit documents and naming conventions please refer to the RESS Document Guidelines found at www.ontarioenergyboard.ca/OEB/Industry, 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 in PDF format, along with two paper copies.

2. Send a Letter with your Comments to the Board

If you wish to comment on the proceeding without becoming an intervenor, you may submit a letter of comment to the Board Secretary.

All letters of comment sent to the Board will be placed on the public record, which means that the letters will be available for viewing at the Board's offices and will be placed on the Board's website.

Before placing the letter of comment on the public record, the Board will remove any personal (i.e., not business) contact information from the letter of comment (i.e., the address, fax number, phone number, and e-mail address of the individual). However, the name of the individual and the content of the letter of comment will become part of the public record.

A complete copy of your letter of comment, including your name, contact information, and the content of the letter, will be provided to the applicant and the Hearing Panel.

Your letter of comment 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.

3. Become an Observer

Observers do not participate actively in the proceeding but receive documents issued by the Board in the proceeding. There is no fee for observers to receive documents issued by the Board.

A 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.

All letters requesting observer status will become part of the public record, which means that the letters will be available for viewing at the Board's offices and will be placed on the Board's website.

Before placing the request for observer status on the public record, the Board will remove any personal (i.e., not business) contact information from the request (i.e., the address, fax number, phone number, and e-mail address of the individual). However, the name of the individual and the content of the request for observer status will become part of the public record.

Observers may also request documents filed by the applicant and other parties to the proceeding but must request these documents directly from the relevant party. Observers may be required to pay for the costs of reproducing and delivering the material.

Most documents filed in this application will also be available on the Board's website.

How to Contact Us

In responding to this Notice, please reference Board file number EB-2011-0328 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 www.ontarioenergyboard.ca/OEB/Industry or by calling our Consumer Relations Centre at 1-877-632-2727.

IMPORTANT

IF YOU DO NOT FILE A WRITTEN SUBMISSION OBJECTING TO A WRITTEN HEARING OR DO NOT PARTICIPATE IN THE HEARING BY FILING WRITTEN SUBMISSIONS IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED WITHOUT YOUR PARTICIPATION AND YOU WILL NOT BE ENTITLED TO FURTHER NOTICE IN THIS PROCEEDING.

Addresses

The Board:

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

Filings:

<https://www.errr.ontarioenergyboard.ca/>

E-mail: boardsec@ontarioenergyboard.ca

Tel: 1-888-632-6273 (Toll free)

Fax: 416-440-7656

The Applicant:

Chatham-Kent Hydro Inc.
320 Queen St.
P. O. Box 70
Chatham ON N7M 5K2
Attention: Mr. David Ferguson

E-mail: davidferguson@ckenergy.com

Tel: (519) 352-6300

Fax: (519) 351-4059

DATED at Toronto, September 19, 2011

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary