



EB-2013-0196
EB-2013-0187
EB-2013-0198

NOTICE OF APPLICATIONS AND HEARING

**APPLICATION BY HYDRO ONE INC. FOR LEAVE TO PURCHASE ALL OF THE
ISSUED AND OUTSTANDING SHARES OF NORFOLK POWER INC.**

**APPLICATION BY NORFOLK POWER DISTRIBUTION INC. FOR LEAVE TO
DISPOSE OF ITS DISTRIBUTION SYSTEM TO HYDRO ONE NETWORKS INC.**

**APPLICATION BY HYDRO ONE NETWORKS INC. TO REDUCE NORFOLK POWER
DISTRIBUTION INC.'S 2012 ONTARIO ENERGY BOARD APPROVED ELECTRICITY
DISTRIBUTION RATES BY 1%**

The Applications

Hydro One Networks Inc. ("HONI") and Norfolk Power Distribution Inc. ("NPDI"), both licensed electricity distributors, and Hydro One Inc., HONI's parent company, filed related applications dated April 26, 2013 with the Ontario Energy Board (the "Board"). Specifically:

1. Hydro One Inc. applied for leave to purchase all of the issued and outstanding shares of Norfolk Power Inc. under section 86(2)(b) of the *Ontario Energy Board Act, 1998* (the "Act") – Board file number: **EB-2013-0196**;
2. NPDI applied for leave to dispose of its distribution system to HONI under section 86(1)(a) of the Act – Board file number: **EB-2013-0187**; and
3. HONI applied for a 1% reduction in NPDI's 2012 Board approved electricity distribution rates under section 78 of the Act – Board file number: **EB-2013-0198**.

The Board will consider these applications (the "Applications") together in a consolidated proceeding pursuant to its authority under section 21(5) of the Act.

The purpose of the Applications is to give effect to a share purchase agreement entered into between Hydro One Inc., and The Corporation of the County of Norfolk, the indirect owner of NPDI through Norfolk Power Inc. Subject to necessary approvals, Hydro One Inc. would purchase all of the issued and outstanding shares of Norfolk Power Inc. Immediately following the acquisition of the shares, Hydro One Inc. would transfer the assets and liabilities of the electricity distribution business from NPDI to HONI. The distribution system and the customers of NPDI would move directly to HONI. HONI is applying to the Board for approval to reduce NPDI's Board approved 2012 electricity distribution rates by 1% effective as of the closing date of the proposed transactions and to have such reduced rates apply to customers formerly served by NPDI for the next five years.

According to the Applications, HONI expects to rebase its electricity distribution rates along with NPDI's distribution rates in 2020 and to harmonize the two rates at the same time. Until that time, HONI proposes to retain two separate rate schedules: one for HONI's existing customers and one for customers formerly served by NPDI.

The purchase price of the shares is \$93 million, and the net book value of the assets proposed to be transferred to HONI's distribution rate base is approximately \$53.9 million. According to the Applications, the costs associated with the transaction will not be funded by ratepayers.

How to see the Applications

To see a copy of the Applications, go to the Consumer page of the Board's website and enter the Board assigned file numbers (**EB-2013-0196, EB-2013-0187 or EB-2013-0198**) in the "Find an Application" box. A copy can also be seen at the Board's office and at the Applicants' offices at the addresses indicated below, or on HONI's website at www.HydroOne.com and NPDI's website at www.norfolkpower.on.ca.

How to Participate

Comment

If you wish to give your opinion on the proceeding to the Board Members hearing the Applications, you are invited to send a written letter of comment to the Board no later than **30 days** after the publication or service date of this notice. A complete copy of your letter of comment, including your name, contact information, and the content of the letter, will be provided to the Applicants and the Hearing Panel.

Observe

If you do not wish to actively participate in the proceeding but you do wish to receive documents issued by the Board, you may request observer status. Your written request must be received by the Board no later than **10 days** from the publication or service date of this notice.

Personal Information in Letters of Comment and Observer Requests

All letters of comment or letters requesting observer status will be placed on the public record, which means that the letters can be seen at the Board's office and will be available on the Board's website. Before placing the letters on the public record, the Board will remove any personal (i.e. not business) contact information from the letters (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 will become part of the public record. Please address your letter to the Board Secretary at the address below, and reference file numbers **EB-2013-0196, EB-2013-0187 and EB-2013-0198** at the top of your letter.

Intervene

If you wish to actively participate in the proceeding (e.g., submit questions, file argument), you may request intervenor status from the Board no later than **10 days** after the publication or service date of this notice. Instructions for requesting intervenor status are available on the Board's website at www.ontarioenergyboard.ca/participate. Everything an intervenor files with the Board, including the intervenor's name and contact information, will be placed on the public record, which can be seen at the Board's office and will be available on the Board's website.

If you do not have internet access, please call 1-877-632-2727 to receive information about this proceeding and how to participate.

IMPORTANT

IF YOU DO NOT PARTICIPATE IN THE HEARING IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED WITHOUT YOUR PARTICIPATION AND YOU WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE 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.pes.ontarioenergyboard.ca/eservice/>
E-mail: boardsec@ontarioenergyboard.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

The Applicants

Hydro One Inc.
483 Bay Street
Toronto ON M5G 2P5
Attention: Mr. Michael Engelberg
Email: mengelberg@hydroone.com
Tel: 416-345-6305
Fax: 416-345-6972

Hydro One Networks Inc.

483 Bay Street
Toronto ON M5G 2P5
Attention: Mr. Jamie Waller
Email: regulatory@hydroone.com
Tel: 416-345-6948
Fax: 416-345-5866

Norfolk Power Distribution Inc.

483 Bay Street
Toronto ON M5G 2P5
Attention: Mr. Jody McEachran
Email: jmceachran@norfolkpower.on.ca
Tel: 519-426-4440 x 2264
Fax: 519-426-4514

DATED at Toronto, May 31, 2013

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary