



EB-2013-0078
EB-2013-0079
EB-2013-0080

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF application by B2M Limited Partnership for an electricity transmitter licence pursuant to section 60 of the *Ontario Energy Board Act, 1998*;

AND IN THE MATTER OF an application by Hydro One Networks Inc. for leave to sell certain transmission assets to B2M Limited Partnership under section 86(1)(b) of the *Ontario Energy Board Act, 1998*;

AND IN THE MATTER OF an application by SON LP CO. for leave to acquire a partnership interest in B2M Limited Partnership under section 86(2) of the *Ontario Energy Board Act, 1998*.

PROCEDURAL ORDER NO. 3

October 18, 2013

B2M Limited Partnership ("B2M LP"), Hydro One Networks Inc. ("HONI") and SON LP Co. (collectively, the "Applicants") filed three separate but related applications dated March 28, 2013 with the Ontario Energy Board ("the Board"). Specifically:

1. B2M LP applied for an electricity transmitter licence under section 60 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B) (the "Act"). **(EB-2013-0078)**;
2. HONI applied for leave of the Board to sell certain electricity transmission assets to B2M LP under section 86(1)(b) of the Act **(EB-2013-0079)**; and

3. SON LP Co. applied for leave of the Board to acquire up to a 30% partnership interest in B2M LP under section 86(2) of the Act. **(EB-2013-0080)**.

Pursuant to its authority under section 21(5) of the Act, the Board decided to consider these applications together in a consolidated proceeding and issued its Notice of Applications and Hearing on May 1, 2013. The Board has proceeded by way of written hearing.

The Power Workers' Union and Dennis Threndyle and Randy Threndyle on behalf of Elda Threndyle and other individuals were confirmed as intervenors in the proceeding and participated by way of filing written interrogatories (IRs). Board staff filed IRs and a written submission.

Amendments

The Applicants filed a letter dated October 1, 2013 with the Board, in which they provided an update relating to the composition and valuation of the assets proposed to be transferred to B2M LP, partnership interest to be held by SON LP Co. in B2M LP, and the provisions of the Limited Partnership Agreement¹. Specifically, the letter indicates that the HONI circuits proposed to be transferred to B2M LP were incorrectly referred to in the original applications as HONI's B501M and B502M circuits and that the correct circuit references are B560V and B561M. The letter further indicates that this change in the circuit reference affects the valuation of the assets proposed to be transferred as some of the transmission facilities utilized by B560V and B561M circuits are older than those considered in the original valuation. The revised estimated Net Book Value of the assets is \$532 million as compared to the \$600 million stated in the original applications. Furthermore, the change in valuation results in SON LP Co. now seeking to acquire up to a 34% partnership interest in B2M LP, whereas previously the figure had been approximately 30%.

The letter states that "all other elements of the transaction described in the original applications remain in effect". The letter also states that the positive net

¹ The Applicants filed the updated evidence with the Board.

benefit to ratepayers described in the original applications is not expected to change.

The Board considers it necessary to make provision for the following matters related to this proceeding at this time. The Board may make further provision for procedural matters from time to time.

THE BOARD ORDERS THAT:

1. Intervenors or Board staff wishing to comment on the Applicants' updated evidence, shall do so by way of written submission filed with the Board and served on the Applicants and the intervenors on or before **October 25, 2013**.
2. If the Applicants wish to file a written reply submission, they shall file their reply submission with the Board and serve it on the intervenors on or before **November 1, 2013**.

All filings to the Board must quote file numbers, **EB-2013-0078**, **EB-2013-0079** or **EB-2013-0080**, be made through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>, 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. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

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.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Gona Jaff at

gona.jaff@ontarioenergyboard.ca and Board Counsel, Michael Millar at
michael.millar@ontarioenergyboard.ca.

ADDRESS

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DATED at Toronto October 18, 2013

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary