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November 1, 2013

VIA EMAIL AND COURIER

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Intervention by Essex Powerlines Corporation, Bluewater Power
Distribution Corporation, and Niagara-on-the-Lake Hydro ("EBN") in an
Application by Hydro One Inc. EB-2013-0196
Application by Norfolk Power Inc. EB-2013-0187
Application by Hydro One Networks Inc. EB-2013-0198**

We are counsel to the above named Intervenors.

We have received a copy of the Notice of Motion dated October 31, 2013 filed by School Energy Coalition ("SEC"). We note that SEC requests an Order compelling answers in respect of numerous interrogatories directed to Hydro One Inc., ("**Hydro One**"), Hydro One Networks Inc. ("**HONI**") and Norfolk Power Distribution Inc. ("**NP**"). EBN shares many of the concerns expressed by SEC in the Notice of Motion about the lack of responses and the relevance of the questions asked. EBN therefore supports the relief sought by SEC and hereby gives notice of its intention to participate fully in this motion.

EBN specifically notes and supports the request by SEC for an extension of the time periods set out in Procedural Order No. 5 with respect to intervenor evidence and submissions. EBN may determine that it is appropriate to file intervenor evidence in this proceeding but first requires an opportunity to review the responses by Hydro One, HONI and NP to the interrogatories asked. Given the numerous refusals, EBN and other intervenors will not be in a position to determine whether intervenor evidence should be filed until SEC's motion has been heard and any further responses ordered by the Board are received and reviewed.

EBN also notes that there has been a material change to the orders and approvals sought by the Applicants. As identified in the response to Board Staff Interrogatory 7, at page two, the following significant changes have been made by the Applicants:

- Norfolk Power Distribution Inc. is no longer seeking approval from the Board, as was originally applied for, for leave to transfer its distribution system to Hydro One Networks Inc. made pursuant to section 86(1)(a) of the *Ontario Energy Board Act, 1998*;
- Norfolk Power Distribution Inc. is no longer seeking cancellation of its distribution licence as was originally applied for pursuant to section 77(5) of the *Ontario Energy Board Act, 1998*;
- Hydro One Networks Inc. is no longer seeking an order to amend its distribution licence made pursuant to section 74 of the *Ontario Energy Board Act, 1998*; and
- Norfolk Power Distribution Inc., not Hydro One Networks Inc., is now the party now seeking to include a rate rider in the 2013 OEB-approved rate schedule of Norfolk Power Distribution Inc. to give effect to a 1% reduction relative to 2012 base electricity delivery rates (exclusive of rate riders), made pursuant to section 78 of the *Ontario Energy Board Act, 1998*. The rate order amendment would take effect following the successful closing of the proposed transaction.

The Application as it now stands is significantly different than the Application as filed. There are numerous additional and different issues which arise based upon the relief that the Applicants are now presently seeking. Obvious examples include what impact will the current proposal have on the alleged synergies and efficiencies that HONI alleged would arise with it assuming NP's assets as was formerly contemplated? NP will now remain a stand-alone rate-regulated utility requiring the continuation of its regulatory, finance, accounting and billing activities. What are the additional costs of such activities? What are the Applicants' proposals in respect of any employee sharing and shared services? How will the Applicants comply with *Affiliate Relationship Code* requirements?

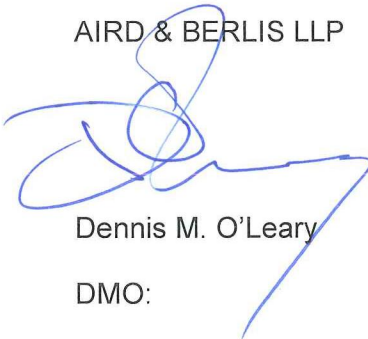
Rather than HONI seeking a temporary carve-out from its distribution rates for the NP service area for up to five years as originally contemplated, NP will continue as a rate-regulated utility. NP is now seeking an adjustment to its rates in the middle of its third generation IRM term. There is no evidence about the impact of the proposed reduction in rates on NP over the coming years as it incurs increasingly large annual revenue deficiencies. There is also no evidence of HONI's plans in respect of NP. It is therefore fair to ask given the lack of evidence whether there will ever be a consolidation or harmonization or will NP continue as a standalone entity in the same fashion as Hydro One Brampton Inc.

At a minimum, EBN submits that a further round of interrogatories should be permitted which would allow intervenors to ask appropriate additional questions about the application as currently framed. More appropriate in EBN's view is an Order directing the Applicants to re-file the Application with sufficient evidence to support the approvals which are now sought. As the changes to Application are so fundamental, other parties in the province should be put on notice of the change and afforded an opportunity to intervene. The further round of interrogatories should take place subsequent to any further evidence being received and after public notice has been given in respect of the revised application.

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Yours truly,

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