



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

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

AND IN THE MATTER OF an application by Hydro One Inc. 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*;

AND IN THE MATTER OF an application by Norfolk Power Distribution Inc. for leave to dispose of its distribution system to Hydro One Networks Inc. under section 86(1)(a) of the *Ontario Energy Board Act, 1998*;

AND IN THE MATTER OF an application by Hydro One Networks Inc. seeking to include a rate rider in the 2013 Ontario Energy Board 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) under section 78 of the *Ontario Energy Board Act, 1998*.

PROCEDURAL ORDER NO. 6

November 5, 2013

Hydro One Networks Inc. (“HONI”) and Norfolk Power Distribution Inc. (“NPDI”), both licensed electricity distributors, and Hydro One Inc., HONI’s parent company (the “Applicants”), 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 inclusion of a rate rider in the 2013 Board approved rate schedule of NPDI to give effect to a 1% reduction relative to 2012 base electricity delivery rates (exclusive of rate riders) under section 78 of the Act – Board file number: **EB-2013-0198**.

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 31, 2013.

The Board's Decision on Confidentiality Request and Procedural Order No. 5 ("PO No.5") dated September 27, 2013, set out a schedule for the procedural steps in this proceeding. In accordance with PO No. 5, the following parties filed interrogatories ("IRs"): Board staff, Essex Powerlines Corporation, Bluewater Power Distribution Corporation and Niagara-on-the-Lake Hydro (together "EBN"), Consumers Council of Canada, School Energy Coalition ("SEC"), and Vulnerable Energy Consumers Coalition. On October 25, 2013, the Applicants filed their responses to the IRs.

In response to Board staff IR. No. 7.1, HONI stated that it wished "to provide an update and clarify that (*sic*) the relief it is now seeking in this application". HONI provided the following rationale for amending the applications:

At the present time, HONI is involved in commercial negotiations with other Ontario electricity distributors regarding transactions similar to the present one. The results of those negotiations may have a bearing on the long-term organizational structure HOI and/or HONI choose to use for newly acquired distribution investments.

These circumstances may affect the organizational structure HONI and HOI may choose to adopt in respect of the proposed transaction. This determination will not be known until the conclusion of the other commercial negotiations. In light of this, and to afford flexibility with respect to the regulated licensing aspects of the present transaction, HONI now intends to have NPDI operate its regulated affairs under its existing distribution licence in the short term.

Specifically, HONI provided the Applicants' summarization of the amended requested relief as follows:

- Hydro One Inc. continues to seek approval from the Board for leave to purchase all of the issued and outstanding shares of Norfolk Power Inc. made pursuant to section 86(2)(b) of the *Ontario Energy Board Act, 1998*;
- 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.

On October 30, 2013, SEC filed a Notice of Motion (the “Motion”) with the Board requesting an order requiring HONI and/or NPDI to provide information sought in IRs by SEC and other parties to the proceeding, and an extension of the time periods set out in PO No. 5 with respect to intervenor evidence and submissions until a reasonable time after the information requested in the SEC motion is provided to the parties.

On November 1, 2013, the Board received a letter from counsel to EBN which, among other things, supported the relief sought by SEC and gave notice of EBN’s intention to participate fully in the Motion.

The Board wishes to ensure that it is clear to the parties and the Board how Hydro One Inc. and NPDI intend the pre-filed evidence and IR responses to apply to their amended requests for relief. This clarity is required now in order to move forward in an expeditious manner and avoid any delays that may arise due to any existing ambiguity.

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

THE BOARD ORDERS THAT:

1. The Applicants shall file amended applications reflecting the relief now sought, clearly indicating the applicability of the original pre-filed evidence to the Applicants’

- new requests. The Applicants shall file the amended applications with the Board and serve them on all other parties on or before **November 8, 2013**.
2. SEC shall, by way of written submission filed with the Board and served on all other parties, indicate what; if any impact the Applicants' amended application has on its Motion. This submission is to be filed and served on or before **November 13, 2013**.
 3. Board staff and intervenors shall indicate, by way of written submission filed with the Board and served on all other parties, whether, as a result of the amended applications, provision for a further round of interrogatories is necessary. These submissions are to be filed and served on or before **November 18, 2013**. The Applicants shall respond to these submissions on or before **November 22, 2013**.

All filings to the Board must quote file numbers, **EB-2013-0196**, **EB-2013-0187** or **EB-2013-0198**, be made electronically through the Board's web portal at www.pes.ontarioenergyboard.ca/eservice/ in searchable/unrestricted PDF format. Two paper copies must also be filed at the Board's address provided below. 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 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, Kristi Sebalj at kristi.sebalj@ontarioenergyboard.ca.

ADDRESS

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DATED at Toronto November 5, 2013

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli

Board Secretary