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BY E-MAIL

September 29, 2014

File No.: 136468.1001

Kirsten Walli
Board Secretary
Ontario Energy Board
Yonge-Eglinton Centre
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Applications by Cambridge and North Dumfries Hydro Inc.
("CND") and Brant Country Power Inc. ("BCP")
EB-2014-0217/EB-2014-0223**

Please accept this letter as CND's brief reply pursuant to the Board's Procedural Order No. 2 dated September 9, 2014.

Brantford Power Inc. ("BPI") was the only party to intervene in this case. BPI's interrogatories to the Applicants were addressed to BPI's satisfaction and BPI has indicated that it has no further questions or comments relating to these proceedings.¹

Board Staff filed written submissions dated September 19, 2014 in which it stated that the proposed transaction satisfies the Board's 'no-harm' test and should be approve as filed.² Specifically, Board Staff stated in its submission that:

- The "evidence in this proceeding reasonably demonstrates that the proposed transaction will not have an overall adverse effect relative to the status quo in relation to the Board's statutory objectives".³
- It is not relevant to consider the purchase price premium paid by CND and, in any event, Staff accepts CND's evidence that the

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¹ Letter from BPI to Board Secretary dated September 18, 2014.

² Board Staff Submission, pp. 4 and 7

³ Board Staff Submission, pp. 4 and 7

premium will not be funded by rate payers and will not adversely impact CND's continued financial viability subsequent to the proposed transaction.⁴

- The proposed transaction can reasonably be expected to result in savings and operational efficiencies.⁵
- CND can reasonably be expected to maintain its high service quality and reliability standards.
- CND will harmonize rates in 2019 and has confirmed that it will revisit its rate design and rate allocation principles in accordance with the Board's applicable rate-making principles at that time to ensure rates are just and reasonable for all customers and customer classes, including BCP's current GS>50kW customer class; and, consistent with the Board's 2007 Report, it is appropriate to consider the issue of rate harmonization at that time.

For the reasons provided in CND's application and pre-filed evidence, and confirmed by Board Staff in its submissions, CND respectfully submits that the proposed transaction satisfies the Board's no-harm test and should be approved as filed and, specifically, the following relief should be granted:

- Approval for CND to purchase all of the issued and outstanding shares of BCP pursuant to section 86(2)(a) of the *Ontario Energy Board Act, 1998*; and
- Upon approval of the proposed transaction, it be ordered that CND's electricity distribution licence be amended to include BCP's service area and that BCP's electricity distribution licence be cancelled.

An electronic version of this letter is being filed through the Board's RESS portal. The requisite number of paper copies will follow by mail.

Yours truly,



Glenn Zacher

GZ/sc

cc: Board Staff

Mark Rodger, Counsel for Brant County Power

Brian D'Amboise, Brantford Power Inc.

⁴ Board Staff Submission, pp. 5.

⁵ Board Staff Submission, pp. 6.