

Santo Giorno

Re: EB-2015-0137

Ontario Energy Board
Attn: Kirsten Walli, Board Secretary
PO Box 2319
27th Floor 2300 Yonge Street
Toronto ON
M4P 14

April 15, 2015

Dear Ms. Walli,

Please accept this correspondence as my comment in reply to Suncor's request to assign the leave to construct their transmission facility, granted in EB-2014-0022, to a new entity, Cedar Point II Limited Partnership.

I respectfully request that the Board deny Suncor's request to grant this leave without public hearing. I do not agree with Suncor's assertion that no other parties will be affected by this transfer. This partnership would diffuse ownership of the proposed wind project and would create additional obstacles for residents within the project area to have any concerns addressed.

In addition, a limited partnership is often formed as a vehicle for the general partners to avoid future liabilities. Thus the possibility certainly exists that any future liabilities would fall on the provincial government, and thus on the taxpayers/ratepayers.

I would bring the Board's attention to a similar request by Nextera Energy for leave to allow a change of control that was assigned to EB-2014-0167.

In this hearing, the full content of their application, including unaudited financial statements for the previous two years, was posted on OEB website allowing for public viewing and understanding of the transaction.

Given the enormous sum of money that will be transferred from the public's pockets to the corporate coffers of Suncor and Nextera, the public interest would be better served if this transaction was not carried out in the shadows, but in an open and transparent manner.

As a minimum, I respectfully request that the Board require Suncor and Nextera to provide and make public the following information that is required in the Application Under Section 86 of the Ontario Energy Board Act, 1998: [REDACTED]

1. Please provide a description of the business of each of the parties to the proposed transaction, including each of their affiliates engaged in, or providing goods or services to anyone engaged in, the generation, transmission, distribution or retailing of electricity (“Electricity Sector Affiliates”).
2. Please provide a detailed description of the proposed transaction.
3. Please provide the details of the consideration (e.g. cash, assets, shares) to be given and received by each of the parties to the proposed transaction.
4. Please attach the financial statements (including balance sheet, income statement, and cash flow statement) of the parties to the proposed transaction for the past two most recent years.
5. Please provide copies of all annual reports, proxy circulars, prospectuses or other information filed with securities commissions or similar authorities or sent to shareholders for each of the parties to the proposed transaction and their affiliates within the past 2 years.
6. Please list all legal documents (including those currently in draft form if not yet executed) to be used to implement the proposed transaction. Please include the FIT Contract Assumption and Acknowledgement Agreement dated March 19, 2015 between Suncor Energy Products Inc., Cedar Point II Limited Partnership and the Independent Electricity System Operator ("IESO").
7. Please identify all incremental costs that the parties to the proposed transaction expect to incur. These may include incremental transaction costs, (i.e., legal), incremental merged costs (i.e., employee severances), and incremental ongoing costs (i.e., purchase and maintenance of new IT systems). Please explain how the new utility plans to finance these costs.
8. Please indicate the impact the proposed transaction will have on economic efficiency and cost effectiveness (in the distribution or transmission of electricity). Details on the impacts of the proposed transaction on economic efficiency and cost effectiveness should include, but are not limited to, impacts on administration support functions such as IT, accounting, and customer service.
9. Please provide a valuation of any assets or shares that will be transferred in the proposed transaction.

10. Please outline the capital (debt /equity) structure, on an actual basis, of the parties to the proposed transaction prior to the transaction and on a pro forma basis after completion of the proposed transaction. In order to allow the Board to assess any potential impacts on the utility's financial viability, please include the terms associated with the debt structure of the utility as well as the utility's dividend policy after the completion of the proposed transaction. Please ensure that any debt covenants associated with the debt issue are also disclosed.

11. Please provide details of any potential liabilities associated with the proposed transaction in relation to public health and safety matters or environmental matters. These may be matters that have been identified in the audited financial statements or they may be matters that the parties have become aware of since the release of the most recently audited financial statements. If there are any pre-existing potential liabilities regarding public health and safety matters or environmental matters for any party to the proposed transaction, provide details on how the parties propose to deal with those potential liabilities after the transaction is completed. Specify who will have on-going liability for the pre-existing potential liabilities.

12. Please list all suits, actions, investigations, inquiries or proceedings by any government body, or other legal or administrative proceeding, except proceedings before the Board, that have been instituted or threatened against each of the parties to the proposed transaction or any of their respective affiliates.

Original signed by:
Santo Giorno