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Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Application for Approval of Consolidation – Enersource Hydro Mississauga Inc., Horizon Utilities Corporation, PowerStream Inc. and Hydro One Brampton Networks Inc. (the "Application").

Board File No. EB-2016-0025

We are counsel to the Electrical Contractors Association of Ontario ("ECAO") in the above-mentioned proceeding. ECAO makes these written submissions on the applicants' draft issues list pursuant to Procedural Order No. 1, dated June 15, 2016.

ECAO represents the interests of the electrical contracting industry in Ontario and is committed to ensuring that the interests of energy consumers are served through competition and market-based pricing in all competitive electricity services. ECAO submits that the effects of the proposed consolidation on competitive pricing for electricity services, the cost structure of the consolidating entities, and economic efficiency in the electricity industry merit the attention of the Board in the present Application. Accordingly, and for the reasons stated below, ECAO requests that the Board add the following issue to the issue list:

Does the proposed consolidation, and its impact on the cost structure of the consolidating entities, promote economic efficiency in the electricity industry by fostering competitive, market-based pricing for electricity services?

Competitive, market-based pricing in all competitive electricity services protects the interests of energy consumers. Economically inefficient, anti-competitive pricing in electricity services is a continuing issue in the commercial activities of regulated transmitters and distributors. ECAO wishes to ensure that the proposed consolidation does not affect the consolidated entity's

compliance with the *Ontario Energy Board Act, 1998*, as amended, the *Electricity Act, 1998*, as amended, and relevant Codes, Rules, and Guidelines.

The proposed consolidation is likely to exacerbate the issue of economically inefficient, anti-competitive pricing in electricity services. As a result, it is likely to affect consumer costs by constricting the capacity for utilities to access lowest cost and most efficient electricity services. In the absence of competitive services and competitive pricing for services, utility customers are likely to be subject to higher costs that are not borne out by the market. ECAO wishes to ensure that the proposed consolidation does not adversely affect energy consumers. Consequently, ECAO submits that the issue of competitive pricing for electricity service merits assessment in the Board's consideration of the Application.

Competitive, market-based pricing in all competitive electricity services is also likely to serve the Board's interest in maintaining a transparent and accountable process for rate-setting and review that ensures the protection of customers.

In its review of the Application, the Board should assess the impact of the proposed consolidation on economic efficiency and cost effectiveness.¹ In view of the Board's role in regulating price for the protection of consumers,² it is also incumbent upon the Board to assess the impact of the proposed consolidation on the cost structure of the consolidating utilities. ECAO, therefore, respectfully requests that the Board add the above-stated issue to the issues list in this Application.

Should you require any further information, please do not hesitate to contact us.

Yours very truly,



Lisa (Elisabeth) DeMarco

¹ *Ontario Energy Board Act, 1998*, SO 1998, c 15, Sched B, s 1(1)–2.

² *Ontario Energy Board Act, 1998*, SO 1998, c 15, Sched B, s 1(1)–1.