

James C. Sidlofsky
T (416) 367-6277
F (416) 361-2751
jsidlofsky@blg.com

Borden Ladner Gervais LLP
Scotia Plaza, 40 King Street W
Toronto, ON, Canada M5H 3Y4
T 416.367.6000
F 416.367.6749
blg.com



September 16, 2016

Delivered by RESS and Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
26th Floor, Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Enersource Hydro Mississauga Inc., Horizon Utilities Corporation,
PowerStream Inc. (collectively, the “Applicants”) – Application under
Section 86 of the *Ontario Energy Board Act, 1998***

Board File No. EB-2016-0025

We, together with Aird & Berlis LLP, are counsel to the Applicants in the above-captioned matter. Earlier today, during Day 4 of the oral hearing in this proceeding, the OEB Panel asked a number of questions of counsel to the Applicants with respect to the LDC Co Electricity Distributor Licence Application to be filed by the Applicants.

The section 86 Application currently before the OEB includes the following items among the requested relief (See Exhibit B, Tab 2, Schedule 1, at p.9):

“(f) leave for Enersource, Horizon Utilities, PowerStream and HOBNI to transfer their distribution licences and rate orders to LDC Co, pursuant to Section 18 of the OEB Act;

...

(h) the issuance of a new electricity distribution licence for LDC Co under Section 60 of the OEB Act that will come into existence on the completion of the transfers of the distribution-related assets of the former Enersource, Horizon Utilities, PowerStream and HOBNI to LDC Co, to be followed immediately by the cancellation of the distribution licences of Enersource, Horizon Utilities, PowerStream and HOBNI. The licence application is being filed separately from the current Application.”

Having considered the Panel’s comments, the Applicants have determined that they will amend the Application to include the enclosed LDC Co Distributor Licence Application. The Licence Application is in the Board’s form. Because not all “key individuals” of LDC Co have yet been appointed, the Applicants have included the incumbents in the key administrative and operational roles as the key individuals. Two pages of the section 86 Application (Exhibit B, Tab 2, Schedule 1, pages 8-9) have been amended to indicate that the Licence Application is being filed as part of the section 86 Application, and those pages are also enclosed.

In light of the Panel's comments during the hearing, the Applicants have considered licence conditions that may be appropriate in the circumstances of the proposed consolidation. The Applicants submit that the following conditions would allow the OEB to consider the operations of the consolidated utility in the context of the OEB's statutory objectives related to adequacy, reliability and quality of electricity service, as that service is provided to customers in each of the four proposed rate zones:

- LDC Co shall track its operations in four separate rate zones (equivalent to the service areas of the former Enersource Hydro Mississauga Inc., Horizon Utilities Corporation, PowerStream Inc. and Hydro One Brampton Networks Inc.) until the end of the third year following the completion of the consolidation of the four predecessor utilities. The end of the third year following the completion of the consolidation is expected to be December 31, 2019.
- LDC Co shall report to the OEB on Electricity Service Quality Requirements (ESQRs) and other reportable financial metrics as set out in the Board's Reporting and Record-Keeping Requirements (RRR) separately for each of the four rate zones for that three-year period.
- LDC Co may, at its option, report to the OEB under the RRR on a consolidated basis, instead of separately for the four rate zones, after the end of the third year following the completion of the consolidation of the four predecessor utilities.

We respectfully suggest that the proposed conditions may be addressed by way of written submissions, and that there is no need to reconvene the oral hearing.

We thank you for your consideration in this matter.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:

Original signed by James C. Sidlofsky

James C. Sidlofsky

Encls.

cc: G. DeJulio, Enersource
I. Butany-DeSouza, Horizon Utilities
C. Macdonald, PowerStream
F. Cass, Aird & Berlis LLP
Intervenor of Record