

EB-2016-0276

IN THE MATTER OF an application made by Hydro One Inc. for leave to purchase all of the issued and outstanding shares of Orillia Power Distribution Corporation, made pursuant to section 86(2)(b) of the *Ontario Energy Board Act, 1998*.

AND IN THE MATTER OF an application made by Orillia Power Distribution Corporation seeking to include a rate rider in the 2016 Board-approved rate schedules of Orillia Power Distribution Corporation to give effect to a 1% reduction relative to 2016 base distribution delivery rates (exclusive of rate riders), made pursuant to section 78 of the *Ontario Energy Board Act, 1998*

AND IN THE MATTER OF an application made by Orillia Power Distribution Corporation 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*.

AND IN THE MATTER OF an application made by Orillia Power Distribution Corporation for leave to transfer its rate order to Hydro One Networks Inc., made pursuant to section 18 of the *Ontario Energy Board Act, 1998*.

AND IN THE MATTER OF an application made by Orillia Power Distribution Corporation seeking cancellation of its distribution licence, made pursuant to section 77(5) of the *Ontario Energy Board Act, 1998*.

AND IN THE MATTER OF an application made by Hydro One Networks Inc. seeking an order to amend its distribution licence, made pursuant to section 74 of the *Ontario Energy Board Act, 1998*, to serve the customers of the former Orillia Power Distribution Corporation.

REPLY ARGUMENT
ORILLIA POWER DISTRIBUTION CORPORATION

May 5, 2017

BORDEN LADNER GERVAIS LLP
Barristers and Solicitors
Bay Adelaide Centre, East Tower
22 Adelaide St W.
Toronto, Ontario M5H 4E3

J. Mark Rodger

Tel: (416) 367-6190

Fax: (416) 361-7088

mrodger@blg.com

Counsel to the Applicant
Orillia Power Distribution Corporation

**REPLY ARGUMENT
ORILLIA POWER DISTRIBUTION CORPORATION**

DELIVERED MAY 5, 2017

A. INTRODUCTION

1. On October 11, 2016 Hydro One Inc. filed with the Ontario Energy Board (the “OEB” or “Board”) an amended application under Section 86(2)(b) of the *Ontario Energy Board Act, 1998* (the “Act”) requesting various approvals to facilitate the acquisition of the Orillia Power Distribution Corporation (“Orillia Power”) distribution system by Hydro One Networks Inc. (“Hydro One”) (the “Application”). In this context, and in accordance with to Procedural Order No. 5 dated March 27, 2017, Orillia Power is pleased to provide the Board with its Reply Argument (“Reply”) relating to Proceeding EB-2016-0276 under the *Ontario Energy Board Act, 1998*.
2. This Reply contains the submissions of Orillia Power as they relate to the Board staff and intervenor arguments with specific reference to their materials as required.
3. It is worth noting at the outset that Board staff believe that the evidence in this proceeding demonstrates that the proposed transaction meets the “no harm” test as established by the Board and, accordingly, the acquisition of Orillia Power by Hydro One should be approved.¹
4. The main intervenor issues that Orillia Power addresses in the Reply are organized as follows:
 - The “No Harm” Test
 - The Evidentiary Record
 - Price, Cost Effectiveness and Economic Efficiency
 - Service Quality and Reliability
 - Rate Making Considerations
 - Other Items; and

¹ *Board Staff Submissions* at pg. 21

- Mr. Kehoe's Submissions.

B. THE "NO HARM" TEST

5. There is no debate amongst the parties that the proper test in considering the Application is the "no harm" test, which has been detailed in Orillia Power's argument in chief at pgs. 2-4 and in Board Staff Submissions at pgs. 2-3. Rather, the parties differ in how this test applies to the facts in this particular case.

C. THE EVIDENTIARY RECORD

6. Several parties allege that the evidentiary record in this proceeding is, in various ways, deficient. Specifically, CCC argues that "Orillia Power's service quality metrics are generally better than HON's"² and VECC suggests that "...there is no evidence that, based on Hydro One's spending plans, reliability for former Orillia Power customers will improve in the future. Furthermore, there is no conclusive evidence that current levels of reliability will be maintained for former Orillia Power customers"³. In addition, SEC alleges that "... Hydro One has shown no credible evidence that it will be able to generate any savings by acquiring Orillia Power"⁴.
7. Orillia Power notes that this Board panel has access to what is, by our analysis, one of the most extensive evidentiary records on file for any prior MAAD application, with close to 800 pages of evidence filed by the Applicants by way of prefiled evidence and interrogatory responses.
8. The Board has the benefit of being presented with very detailed evidence filed as part of this Application, including the following which directly addresses the alleged evidentiary gaps identified by the intervenors:
 - The cost structures from proceeding with the transaction will result in expected ongoing OM&A savings of approximately \$3.9 million per year

² CCC Submissions at pg. 3.

³ VECC Submissions at Section 3.3, pg. 10.

⁴ SEC Submissions at pg. 4.

and reductions in capital expenditures of approximately \$0.6 million per year (based on the level of savings achieved by Year 10).⁵

- Orillia Power customers will benefit from a 1% reduction in base distribution rates following the transaction, and these reduced rates will be frozen over a five-year period.⁶ From years 6-10, Orillia Power customers' rates will then be adjusted using the Price Cap IR adjustment mechanism, utilizing a 0.3% efficiency factor to further drive efficiencies.⁷
- Hydro One is also proposing to implement an earning sharing mechanism for years 6-10, with excess earnings beyond 300 basis points on Orillia Power's current-approved ROE will be shared on a 50:50 basis with Orillia Power customers (the "ESM").⁸ The value of the ESM benefits flowing to ratepayers is guaranteed at \$3.4 million.⁹ Hydro One has provided a guarantee that Orillia Power customers will receive these ESM benefits.
- Based on reliability statistics for 2013 to 2015, Hydro One customers near the City of Orillia experienced a level of service in terms of duration and frequency of interruptions like the level experienced by Orillia Power customers.¹⁰ In the longer term, Orillia Power customers are expected to benefit from operational efficiencies expected by having the Orillia Power assets integrated into Hydro One's larger distribution system, eliminating the artificial electrical border and optimizing resources of the two utilities.¹¹
- The integration of Orillia Power's staff and operations with Hydro One's existing operations will result in sustained operational efficiencies to be realized in distribution operations, administration, information technology and customer service.¹²

⁵ Exhibit A, Tab 2, Schedule 1 at Table 1.

⁶ Exhibit A, Tab 2, Schedule 1 at pg. 2.

⁷ Exhibit A, Tab 2, Schedule 1 at pgs. 3-4.

⁸ Exhibit A, Tab 3, Schedule 1.

⁹ Exhibit A, Tab 3, Schedule 1 at Table 6.

¹⁰ Exhibit A, Tab 2, Schedule 1 at Table 3.

¹¹ Exhibit A, Tab 2, Schedule 1 at Page 7.

¹² Exhibit A, Tab 2, Schedule 1, Pages 8-13

9. The intervenors have chosen to simply ignore this evidentiary record.
10. SEC takes a different approach to the evidentiary record altogether, proceeding to file new material as Schedule A to its Final Argument¹³ and referring to a different proceeding, the Hydro One distribution rate application EB-2017-0049, which forms no part of the evidentiary record in the MAAD application currently before the Board.
11. That Hydro One rate application, which has yet to be determined, is irrelevant to the issues before the board in this MAAD application. In any event, in attempting to introduce Hydro One distribution rate application evidence, SEC endeavours to have the Board consider proposed rates 5 or more years in the future with no regard of what distribution rates would be under the previous status quo LDC ownership (including the impacts of possible cost of service, IRM and ICM applications that may have been pursued).
12. Orillia Power believes that it is possible for certain external considerations to inform the Board (such as pending legislation and rate reductions resulting from the Fair Hydro Plan which the Board has already acted upon in reducing prices under the Regulated Price Plan). However, SEC's submissions are based on nothing more than conjecture. If SEC wishes to prepare evidence and argue against the relief sought in the Hydro One distribution rate application EB-2017-0049, SEC is free to do so.
13. Orillia Power submits that the Board should reject SEC's new material introduced in argument and all references to information not on the evidentiary record in this application – specifically: Schedule A to SEC's Final Argument; the discussion relating to Board directions in EB-2013-0087/0096/0098, EB-2014-0244 and EB-2014-0213; and all calculations purported to be made based on the evidentiary record in EB-2017-0049. SEC had every opportunity to file evidence in this proceeding. SEC chose not to do so. By filing this information as part of its Final Argument, SEC has effectively ensured that no party has the opportunity to conduct any substantive discovery in respect of the new materials it has filed – contrary to the principles of fairness and the procedural rights of the Applicants. Setting aside these substantive concerns with how the material is being introduced for a moment, Orillia Power further submits that the material is simply not

¹³ SEC Submissions at pg. 2-6 and Schedule A.

relevant to the Board's assessment of its "no harm" test in this proceeding and should be given no credence by the Board.

D. PRICE, COST EFFECTIVENESS AND ECONOMIC EFFICIENCY

14. Several intervenors have made submissions on price, cost effectiveness and economic efficiency.
15. Board staff notes that "*the OEB has set out in the Handbook and in previous decisions¹⁴ that it does not consider a temporary rate decrease to be demonstrative of no harm as it does not reflect underlying cost structures and may not be sustainable or beneficial in the long term*".¹⁵
16. VECC further notes that, provided the rates charged to Orillia Power's former customers after the 10 year deferral period are reflective of Hydro One's costs to serve the Orillia service territory, "*the Application should not result in any harm (vis-à-vis price) to OPDC's customers*".¹⁶
17. Board staff¹⁷, SEC¹⁸ and CCC¹⁹ all submit that cost efficiencies claimed by Hydro One upon consolidation may not translate to lower rates for customers of an acquired entity and cite the proposed rates for Hydro One's most recently acquired utilities (Norfolk, Haldimand and Woodstock) in the utility's current rate application EB-2017-0049. These intervenors cite the increased proposed rates in another application before the Board as evidence that Orillia Power's customers will experience rate increases, particularly after the rebasing period.
18. Orillia Power disagrees. Orillia is not Norfolk, Haldimand nor Woodstock. The evidence filed in this case, which is specific to Orillia, contradicts these assertions.
19. Orillia Power agrees with Board staff's conclusion on this point:

¹⁴ Hydro One Inc. /Norfolk Power Distribution Inc. and Hydro One Inc. /Haldimand County Hydro Inc.

¹⁵ *Board Staff Submissions* at pg. 7.

¹⁶ *VECC Submissions* at Section 3.1, pg. 8.

¹⁷ *Board Staff Submissions* at pg. 7.

¹⁸ *SEC Submissions* at pgs. 2-6.

¹⁹ *CCC Submissions* at pg. 3.

OEB staff notes that, in this case, Hydro One has selected a deferred rebasing period of ten years and is committing to a guaranteed sharing of \$3.4 million with Orillia Power customers, in years 11 and beyond. As well, the rates that Hydro One proposes for Orillia Power customers after the deferred rebasing period ends and the sharing of efficiency benefits will be subject to OEB review and approval.

20. In addition, Orillia Power notes that none of these submissions rely on evidence filed in this proceeding: SEC simply attacks and offers insults against Hydro One and Board staff and VECC make their submissions without reference to any of the evidence filed in this application. These submissions selectively ignoring relevant evidence, are merely speculative, and have no basis in the evidence as filed in this proceeding.
21. Hydro One's evidence also illustrates considerable savings which were recognized by Board staff in its submissions. Board staff concurred that "*the proposed transaction can reasonably expected to result in savings and operational efficiencies*".²⁰
22. With respect to cost structures resulting from the proposed transaction, VECC argues that (i) the comparison is based on forecast 2015 costs/customer counts for Hydro One versus actual costs/customer counts for Orillia Power and that the Hydro One costs should be increased by 5.9%, (ii) the Application compares Hydro One's residential cost per customer with average cost per customer for all Orillia Power residential and GS customers and that the Hydro One resulting weighted average cost per customer for its UR, UGe and UGd classes by Orillia Power's 2015 customer counts would be \$256/customer; and (iii) Orillia Power's cost per customer calculation only includes residential and GS customer count in the denominator whereas Hydro One's calculation includes an allocation of costs to these excluded classes and, therefore, it would be appropriate to reduce Orillia Power's costs by 4.8%.²¹
23. The Application presents a comparison of Hydro One's OM&A costs to serve customers in its high density residential rate class of \$173/customer compared to Orillia Power's cost

²⁰ Board Staff Submissions at pg. 7.

²¹ VECC Submissions at Section 3.1, pgs. 6-7.

per customer of \$362.²² Orillia Power submits that that this is the proper comparison to use, not the rough calculations performed by VECC.

24. VECC submits that “... *while Hydro One claims there will be a long term cost benefit to legacy customers, it has not calculated the benefit*” and that “... *it is not immediately obvious that costs will decline for existing customers*”.²³ Respectfully, it appears that VECC may have misread the evidence with respect to net OM&A savings and the benefits that flow to both its legacy customers and existing Orillia Power customers. Section 2.1 of the Application evidences the cost structures from proceeding with the transaction resulting in expected ongoing OM&A savings of approximately \$3.9 million per year and reductions in capital expenditures of approximately \$0.6 million per year (based on the level of savings achieved by Year 10). These efficiencies, representing an ongoing OM&A reduction of approximately 60% of Orillia Power’s 2015 OM&A costs (65% of the Year 10 status quo forecast), will result in downward pressure on both Hydro One and Orillia Power’s cost structures relative to the status quo and will be realized while maintaining adequacy, reliability and quality of electricity service.²⁴
25. Orillia Power agrees with VECC’s statement that “...*overall, VECC accepts that there are efficiencies and cost reductions to be gained from the Application*”.²⁵
26. VECC agrees with Board staff that the Application meets the no-harm test with respect to price, but submits that “*it can only be satisfied if the rates eventually charged to former Orillia Power customers are reflective of Hydro One’s cost to serve them*” and that “*the Board should set out its expectation... that future rates will be reflective of the costs to serve the Orillia Power service area*”.²⁶ VECC further notes that “*while ensuring there is no harm to Orillia Power’s customers (vis-à-vis price) requires that rates charged to these customers be reflective of the cost to service them, a similar requirement exists in order to ensure there is no harm to Hydro One’s legacy customers*”.²⁷

²² Exhibit A, Tab 2, Schedule 1, pgs. 2-3.

²³ VECC Submissions at Section 3.2, pg. 8.

²⁴ Exhibit A, Tab 2, Schedule 1, pgs. 1-2.

²⁵ VECC Submissions at Section 3.4, pg. 12.

²⁶ VECC Submissions at Section 5, pg. 17.

²⁷ VECC Submissions at Section 3.2, case. pg. 9

27. Orillia Power submits that the Board should consider the evidence tendered by Hydro One and Orillia Power in its entirety. All cost savings, synergies and operational efficiencies that will result from the transaction have been detailed throughout this proceeding.
28. In its report entitled “Renewing Ontario’s Electricity Distribution Sector: Putting the Consumer First”²⁸ the Ontario Distribution Sector Review Panel (“Panel”) emphasized the importance of overall scale and scope economics in the Ontario electricity industry.²⁹ Orillia Power submits the Panel recognized the cost savings potential and importance of further LDC consolidation through this report and factored in the relevance of the potential \$1 billion dollars in savings available through this process.
29. Specifically, the Panel believed reductions would come in the field of OM&A costs. Regional distributors are able to reduce sector-wide administration costs by up to 20% when compared to projections for unconsolidated sectors. Orillia Power submits that this Application is another illustration whereby ratepayers can benefit from voluntary consolidation and resulting cost structures.

E. SERVICE QUALITY AND RELIABILITY

30. Board staff acknowledged³⁰ Hydro One’s submissions that it will endeavor to maintain or improve reliability and quality of electricity service for all of its customers; that it is committed to the retention of Orillia Power’s existing operations personnel thereby retaining local knowledge and skills to allow it to maintain or improve reliability and customer service quality; the comparison of reliability statistics from 2013-2015 reflecting that Hydro One customers in the vicinity of the City of Orillia experienced a level of service in terms of duration and frequency of interruptions comparable to the level experienced by Orillia Power customers; and that it anticipates that reliability will improve with the combination of pre-existing Hydro One and former Orillia Power resources optimized for the broader Orillia area.

²⁸ Ontario Distribution Sector Review Panel, December 13, 2012. [Panel Report]

²⁹ *Panel Report* at page 31.

³⁰ *Board Staff Submissions* at page 8.

31. CCC and VECC made submissions related to reliability and quality of service.³¹ CCC and VECC argue that there is either no evidence or inconclusive evidence that Orillia Power's reliability will be maintained or improved and CCC submits that Orillia Power's service quality metrics are generally better than Hydro One's, pointing to Exhibit I/T3/S17. VECC further states that if the OEB approves the Application, Hydro One should be required to report reliability results for the former Orillia Power service area and indicate how it plans on responding to any deterioration from historical levels.³²
32. Based on reliability statistics for 2013 to 2015, Hydro One customers in the vicinity of the City of Orillia experienced a level of service in terms of duration and frequency of interruptions similar to the level experienced by Orillia Power customers.³³ In fact, Orillia Power customers are expected to benefit from operational efficiencies in the long term by having the Orillia Power assets integrated into Hydro One's larger distribution system. Scale efficiencies are expected in the areas of operating and maintaining the distribution system, planning capital replacement and the overhead and management functions.³⁴ Orillia Power submits that the Application has no adverse impact on the reliability of electricity service of Orillia Power or Hydro One. Hydro One must maintain a certain level of reliability for all of its customers in compliance with OEB-prescribed standards. Ultimately, neither CCC nor VECC have pointed to any evidence on the record in this proceeding that would support any different conclusion or show that the relevant test has not been met.
33. With respect to VECC's second point, VECC has not evidenced how requiring that Hydro One implement a separate system for Orillia Power would benefit ratepayers. Hydro One's Asset Risk Assessment ("ARA") process is designed so as to achieve ongoing distribution operational efficiencies - determining the state of Hydro One's distribution system, identifying current asset needs, and creating a line of sight to future needs, which enables an in-depth view of asset risk, and improved decision-making.³⁵ Orillia Power submits that

³¹ *CCC Submissions* at pg. 3; *VECC Submissions* at Section 3.3 on pgs. 9-11.

³² *VECC Submissions* at Section 5.1 on pg. 9-11.

³³ Exhibit A, Tab 2, Schedule 1, pg. 7 and Exhibit I, Tab 3, Schedule 17.

³⁴ *Ibid*

³⁵ Exhibit A, Tab 2, Schedule 1, pg. 11.

it would be burdensome, inefficient and prohibitively costly to report reliability results for the former Orillia Power service area separately from the Hydro One statistics.

34. Orillia Power agrees with the Board staff conclusion that Hydro One can reasonably be expected to maintain the service quality and reliability standards currently provided by Orillia Power.³⁶

F. RATE MAKING CONSIDERATIONS

Rate Rebasing

35. Orillia Power agrees with the Board staff and VECC submissions that the selected 10-year deferred rate rebasing period is appropriate and consistent with the Board's policies.³⁷
36. VECC further submits that the rate setting proposal put forward by Hydro One for the deferred rebasing period is reasonable provided Hydro One is required to provide clear and conclusive evidence in any rate applications applicable to its legacy customers during the rebasing period that no costs associated with serving Orillia Power's legacy customers (including incremental costs incurred by its administrative and support functions or by centralized service such as its Utility Arborist division) are included in the rates to its legacy customers.³⁸

Earnings Sharing Mechanism

37. Board staff submits that the proposed ESM aligns with the expectations of the Board as set out in the Handbook insofar as applicants can propose an ESM that better achieves the objective of protecting customer interests. Board staff notes that the anticipated reduction in costs is expected to lead to higher synergy savings which is in the best interest of customers.³⁹ Orillia Power agrees with Board staff.
38. VECC submits that Hydro One's proposal varies from the Handbook in that the calculation of the earnings to be shared is pre-calculated using the forecast OM&A and capital costs. VECC submits that the ESM calculation must be done based on actual results and reflect

³⁶ *Board Staff Submissions* at pg. 8.

³⁷ *Board Staff Submissions* at pg. 10; *VECC Submissions* at Section 4.1 on pg. 13.

³⁸ *VECC Submissions* at Section 4.2 on pgs. 13-14.

³⁹ *Board Staff Submissions* at pgs. 10-12.

the actual savings achieved.⁴⁰ The evidence is that costs will increase by at least \$500,000 per year.⁴¹ This would have a material adverse effect on ratepayers by reducing actual savings by approximately \$2.5M over a five-year period.

G. OTHER ITEMS

Financial Viability

39. Orillia Power agrees with Board staff's view that the evidence presented by Hydro One regarding the proposed financing of the transaction and the premium paid demonstrates that no adverse impact on Hydro One's financial viability is anticipated.⁴²

H. MR. KEHOE'S SUBMISSIONS

40. Mr. Frank Kehoe filed a document with the Board in this proceeding entitled "*The Ontario Energy Board Public Hearing Written Required Appeal Document with Attachments*" (the "Kehoe Submissions") dated April 19, 2017.

41. It is unclear to Orillia Power what Mr. Kehoe is requesting. The Kehoe Submission to the Board states as follows:⁴³

Consider this to be our appeal dealing with the aforementioned Ontario Energy Board hearing that is now to be a disappointing written appeal as opposed to a oral public hearing.

42. The intervention request filed by Mr. Makuch on behalf of the Orillia Water, Light and Power Commission was denied by the Board on February 16, 2017. Mr. Kehoe filed the Kehoe Submissions with the Board on April 19, 2017, 62 days later. Section 40.03 of the OEB's Rules of Practice and Procedure require the OEB to reject the Kehoe Submissions to the extent that they constitute a motion to review, as they were not filed and served within 20 calendar days of the date of the Board's decision not to grant intervenor status to

⁴⁰ VECC Submissions at Section 4.3 on pgs. 14-15.

⁴¹ Exhibit I, Tab 1, Schedule 17, pg. 2.

⁴² Board Staff Submissions at pg. 9.

⁴³ Kehoe Submissions dated April 19, 2017 at pg. 1. [Kehoe Submissions]

the Orillia Water, Light and Power Commission. Moreover, the Kehoe Submissions do not meet the grounds set out in Section 42.01, as they do not address any error in fact or change in circumstances, no new facts having arisen, or no facts have been advanced that were not previously placed in evidence in the proceeding and could not have been discovered by reasonable diligence at the time having come to light. Orillia Power submits that the Board ought to make a determination, on a threshold question, to reject the review requested by Mr. Kehoe pursuant to Rule 40.01 before conducting any review on the merits.⁴⁴

43. The Kehoe Submissions state that “... *Orillia City Council does not have the authority to override its own by-law that created the People's 1913 referendum without first going back to its electorate for their approval*” and that “...*the decision of the board should be stayed until the city council can show, to the board, that they have obtained the legal authority, from their people, to sell - or not sell - the distribution arm of the Orillia Power Corporation*”.⁴⁵

44. Contrary to Mr. Kehoe's assertions regarding the status of the Commission and the ownership of the Orillia Power electricity distribution system, the Commission was dissolved by By-law 2000-146 over 16 years ago and has not existed since. There has not been a Commission, and Mr. Kehoe has not been its vice-chair, since prior to November 1, 2000.⁴⁶ As has been already introduced into the record in this proceeding, in 2000 all former municipal electric distributors were mandated by the Province through the *Energy Competition Act, 1998* to reconstitute themselves as corporations pursuant to the *Ontario Business Corporations Act*. On October 16, 2000 the City of Orillia passed transfer By Law No. 2000-144 which conveyed the Orillia distribution system to Orillia Power Distribution Corporation. The Board has licenced Orillia Power Distribution Corporation as the regulated electric distributor for the City of Orillia since that time. Orillia Power is owned by a holding company which in turn is owned 100% by the City of Orillia as sole shareholder.⁴⁷

⁴⁴ Rules of Practice and Procedure at Section 43.01.

⁴⁵ *Kehoe Submissions* at pgs. 3-4.

⁴⁶ Letter from J. Mark Rodger dated December 22, 2016.

⁴⁷ Letter from J. Mark Rodger dated November 21, 2016.

45. Respectfully, Mr., Kehoe’s “*well-informed view*” that Hydro One “*could never financially compete with Orillia’s power distribution*”⁴⁸ is not rooted in any cited evidence and should be viewed by the Board for nothing more than what it is – Mr. Kehoe’s personal opinion. Moreover, Mr. Kehoe’s proposed valuation is not a relevant consideration in this Application. As stated in the Combined Decision, for the Board to find a selling price of a utility relevant, it must consider whether “*the purchase price is set at a level that would create a financial burden on the acquiring utility and whether any premium in the purchase price finds its way into rates*”⁴⁹. In the transaction currently before the Board the answer to both of these questions is a definitive no. How the parties have arrived at a purchase price and the reasonableness of that purchase price is, in this case, not relevant.

I. CONCLUSIONS

46. For all of the foregoing reasons, Orillia Power submits that the Application satisfies the Board’s no-harm test, and is consistent with the principles articulated by the Board. Orillia Power requests that the Board approve the Application together with the other relief as requested herein.

All of which is respectfully submitted this 5th day of May, 2017.

*Original signed by John Vellone for J.
Mark Rodger*

TOR01: 6802208: v5

⁴⁸ Kehoe Submissions at pg. 4.

⁴⁹ *Combined Decision* RP-2005-0018/EB-2005-0234/EB-2005-0254/EB-2006-0257 at pgs. 7-8.