Newmarket-Tay Power Distribution Ltd.

MIDLAND POWER UTILITY CORPORATION

February 23, 2018

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

Dear Ms. Kristen Walli:

Re: Newmarket-Tay Power Distribution Ltd. and Midland Power Utility Corporation application under section 86 of the *Ontario Energy Board Act, 1998* and application for other related relief (the "Application")

EB-2017-0269 – Supplementary Interrogatory Responses

Please find enclosed the Newmarket-Tay Power Distribution Ltd. and Midland Power Utility Corporation responses to the Board Staff supplementary interrogatories dated February 5, 2018 in the above-noted matter.

All of which is respectfully submitted,

[Original Signed by]

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Supplementary Interrogatories

EB-2017-0269

Submitted on

2-23-2018

ONTARIO ENERGY BOARD

IN THE MATTER OF an application by Newmarket-Tay Power Distribution Ltd. for leave to purchase all of the issued and outstanding shares of Midland Power Utility Corporation under section 86(2)(b) of the *Ontario Energy Board Act*, *1998* S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Newmarket-Tay Power Distribution Ltd. for leave to amalgamate with Midland Power Utility Corporation under section 86(1)(c) of the *Ontario Energy Board Act*, *1998* S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Midland Power Utility Corporation for leave to transfer its distribution system to Newmarket-Tay Power Distribution Ltd. under section 86(1)(a) of the *Ontario Energy Board Act*, *1998* S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Midland Power Utility Corporation for leave to transfer its rate order to Newmarket-Tay Power Distribution Ltd. under section 18(1) of the *Ontario Energy Board Act*, *1998* S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Midland Power Utility Corporation to cancel its distribution licence pursuant to section 77(5) of the *Ontario Energy Board Act, 1998* S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an application by Newmarket-Tay Power Distribution Ltd. for an order to amend Newmarket-Tay Power Distribution Ltd.'s licence pursuant to section 74 of the Ontario Energy Board Act, *1998* S.O. 1998, c. 15, (Schedule B).

EB-2017-0269

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BOARD STAFF IR - 1

Ref: OEB Staff Interrogatory No. 4 and Section 6.16 of the Share Purchase Agreement

The applicants have confirmed that the legal name of the amalgamated entity will be Newmarket-Tay Power Distribution Ltd.

The applicants have also indicated that they intend to continue to use the Midland Power name and its related branding in Midland Power's current service territory for a period of ten years following the closing of the proposed transaction, including on customer bills or invoices as well as maintaining signage existing as at the closing date.

Assuming the proposed transaction and related approvals (cancellation of Midland Power's licence) are approved by the OEB:

a) Please explain why the applicants wish to continue to use the Midland Power name and related branding when Midland Power is no longer licensed by the OEB.

b) Please explain how the continued use of the Midland Power name and relating branding does not cause confusion for consumers and how applicants intend to inform consumers that the legal, licenced entity is no longer called "Midland Power".

c) Please comment on the foregone synergies from not being able to consolidate billing, maintenance of signage, etc.

RESPONSE

a) The continued use of the Midland Power brand is intended to be a transitional mechanism. By maintaining the existing Midland Power brand over a transitional period, the Applicant's goal is to provide Midland customers with reassurance that while ownership in their local LDC is changing, for all intents and purposes customers are expected to experience the same or improved level and quality of service they enjoy under the current ownership by the Town of Midland.

The applicants submit that branding and licencing are mutually exclusive. Branding is used to identify and distinguish an organization for its customers. Licencing is a legal requirement. Maintaining the Midland Power brand with an addition (as described in (b) below) to indicate that Midland Power is owned and operated by NT Power is expected to assist in clarifying customer understanding in a transparent manner with regards to the purchase of Midland Power by NT Power.

b) Further to (a) above, the Applicants are confident that continuing the Midland Power brand for up to ten years will not create confusion for customers. All bills, correspondence and the Midland Power website will contain a statement that Midland Power is owned and operated by NT Power. This will not only serve to introduce the Midland customers to the NT Power brand, it will also provide them with clarity should they wish to obtain further information related to NT Power's licence issued by the OEB.

NT Power used this branding and website strategy when Newmarket Hydro Ltd. ("NHL") and Tay Hydro Electric Distribution Inc. ("THEDI") merged in 2007. That is, the NHL brand was continued in the Newmarket service area and the THEDI brand was continued in the Tay service area as well as being utilized on the associated websites. The NT Power brand was introduced to both service areas beginning in 2017 and the websites are being consolidated this year. NT Power notes that it has received no customer complaints or any indication that there has been any confusion with respect to corporate branding or access to matters of OEB licencing as a result.

c) No synergies are foregone. Functions like billing and sign maintenance can be consolidated. In the case of billing, only printed consumer bills will use the Midland branding. All of the billing functions can be consolidated. As fleet vehicles and other physical assets bearing the Midland branding are replaced, they will bear the NT Power brand. There will be no wasted costs related to changing signage and existing stationary supplies such as billing stock, letterhead, etc. can be utilized rather than discarded resulting in the most cost-efficient use of these existing resources.

BOARD STAFF IR - 2

Reference OEB Staff IR #5

In part 5 a) of the response, the applicants have provided a calculation relating to the expected increase to rates for Midland Power's commercial customers. There is presently a consultation underway regarding rate design for Commercial and Industrial customers.

a) Please explain Newmarket-Tay's approach to rate design for Midland Power's commercial and industrial customers if the OEB establishes a new Commercial and Industrial rate policy before the end of the ten-year deferred rate rebasing period.

In the response provided to 5 b), the applicants state: "The migration of MPUC and Tay service areas to a direct connection to the IESO grid is also expected to lower customers bill costs in relation to line losses."

Loss factors are only updated at the time of rebasing, which the applicants are proposing would only occur after 10 years, even if a direct connection to Hydro One's high voltage (Transmission) grid comes into service earlier. Customers would still be paying for losses based on current approved loss factors.

b) Please explain how customers will be benefiting from any lowered losses due to establishing a direct connection to the Hydro One high voltage transmission system prior to rebasing.

RESPONSE

a) Newmarket-Tay will comply with any OEB requirements resulting from the current consultation regarding rate design for Commercial and Industrial customers for all that are affected.

b) The variance of actual losses versus the billed line losses are maintained within OEB approved deferral and variance accounts ("DVAs"). Customers in both the Midland and Newmarket-Tay service areas would benefit from lowered losses when disposition of the applicable DVAs is approved as part of annual rate filings in accordance with OEB policy.

BOARD STAFF IR - 3

Ref: OEB Staff Interrogatories No. 6 and No. 8

In OEB Staff Interrogatory No. 6 the applicants have provided a revised Table 3, setting out transaction and transition costs for NT Power and Midland Power. The table lists NT Power's transaction costs as $1.2M in year 1.

In OEB Staff Interrogatory No. 6, the applicants set out Midland Power's transition costs over a 10-year period.

a) Please provide a cost breakdown of NT Power's transaction costs. Please confirm whether this includes the additional $200,000 that is being paid by NT Power for Midland Power's transaction costs and expenses.

b) Please provide a detailed explanation of what is incorporated in Midland Power's transition costs and please explain why these transition costs are increasing over the ten-year period.

In part b) of the response to OEB Staff Interrogatory No. 6, the applicants state that the difference in the stated synergies, between page 22 of the evidence and Table 3 in the pre-filed evidence is owing to the transition cost for annual rent of the 16984 Highway 12 property.

c) Please explain why the annual rent payable for this property is considered a transition cost rather than an operational cost when the response to OEB Staff Interrogatory No. 8 indicates that this property will be utilized going forward to consolidate all operational and administrative functions for the Tay and Midland areas.

RESPONSE

a) The estimated cost breakdown of NT Power`s transaction costs is listed in the table below. The table includes the additional $200,000 being paid by NT Power for MPUC's transaction costs and expenses which is a typical requirement in competitive RFP solicitation processes for the sale of LDCs in Ontario.

Estimated NT Power's Transaction Costs
'000's

	$
Professional Services – Legal	850
Professional Services – Financial	150
MPUC Transaction Cost and Expense	200
Total	**1,200**

b) MPUC's transition costs include the estimated annual rent for 16984 Highway 12 property. The estimated annual rent cost is increasing over the ten-year period to account for typical market rate increases in occupancy costs.

c) NT Power is considering the annual rent payable for the property as a transition cost due to the rent arising as a result of the sale of MPUC.

BOARD STAFF IR - 4

Ref: OEB Staff Interrogatory No. 7

The applicants have shown cost savings/synergies for each year of the ten-year period in Table 3 in the pre-filed evidence and in response to OEB Staff Interrogatory No. 6. However, in the response provided to OEB Staff Interrogatory No. 7, the costs attributable to the specific business operations that make up the projected cost savings are only provided for year 10.

a) Please provide a breakdown of the projected cost savings by the specific business operations for each year, from year 1 to year 10 arising from this transaction.

The response reflects savings of $700,000 in management and staff costs in year 10. The response also states that the projected cost savings are assumed to occur through natural attrition through retirements and as employees leave.

b) Please explain the applicants' basis for the $700,000 projected cost savings in year 10.

The response indicates projected savings for facilities of $55,000.

c) Please explain what this represents.

d) Please provide the expected savings from the consolidation of the Tay and Midland areas.

RESPONSE

a) The 10-year breakdown of the projected permanent cost reductions by business operations are listed in the following table:

Cumulative Efficiencies By Business Operations $000's

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Management & Staff	-	247	426	435	625	638	653	668	683	700
Board of Directors	27	28	28	29	29	30	31	31	32	33
Fleet & Associated Maintenance Costs	99	101	103	105	107	110	112	115	117	120
Software Licensing & Maintenance Costs	27	28	28	79	81	83	85	87	89	91
Professional Fees	95	159	226	231	302	308	383	392	413	426
Facilities	-	46	47	48	49	50	51	52	54	55
Total	**$ 248**	**$ 608**	**$ 858**	**$ 927**	**$1,193**	**$1,219**	**$1,314**	**$1,345**	**$1,388**	**$1,424**

b) The applicants expect to achieve a cumulative $700,000 in persisting reductions and operational efficiencies as a result of reduced costs for management and staff by year ten (10) as a result of retirements and employees leaving the Combined Utility for other miscellaneous reasons and anticipated turnover consistent with sector experience.

c) The projected savings for facilities represents the estimated annual rental income for the vacated Tay office space from the consolidation of the Tay and Midland locations.

d) The expected permanent cost reductions from the consolidation of the Tay and Midland locations are listed in the following table:

Estimated Savings Due To Consolidation of Tay and Midland Locations at Year 10 (000's)

Year 10	$
Staffing	172
Facilities	55
Rationalized Vehicles	120
Total	**347**

BOARD STAFF IR - 5

Ref: OEB Staff Interrogatory No. 12

The response provided states that the portion of the $11.9M that is paid which is a premium and not recovered from the cost synergy savings in the first ten years will be fully recovered from the amalgamated entity's earnings from year 11, and specifically from the entity's return on equity.

a) Please explain what is meant by the applicants' proposal to recover the premium from the consolidated entity's return on equity from year 11.

b) Please explain whether such an approach is consistent with the OEB's expectation that the premium is fully recovered from efficiencies generated during the deferred rebasing period.

c) In light of the applicants' proposal to recover the balance of the premium from the amalgamated entity's return on equity, please comment on the impact this will have on financial viability.

d) Please explain how the applicants intend to track the recovery of the acquisition premium from year 1 onwards.

The applicants have provided a table which reflects the financial ratio projections of the combined utility.

e) For comparison purposes, please provide a similar table that shows the current financial ratios of the amalgamating utilities on a combined basis.

RESPONSE

a) NT Power is financing the acquisition cost consisting of MPUC's book value, premium and transaction costs and expenses through cash and new term debt. The debt will be amortized over twenty-five (25) years. The cash portion of the acquisition cost will be used to partially fund the premium and transaction costs and expenses.

The applicants will account for the debt in two components: a premium and transaction costs and expenses component and a book value component. During the deferred rebasing period, efficiencies will increase the applicants' ROE and this increase will be used to fund the amortization of the premium and transaction costs and expenses component. The residual amortization of the premium and transaction costs and expenses component from year eleven (11) onwards will continue to be funded from ROE. This accounting treatment will ensure that ratepayers will pay no portion of the premium and the transaction cost and expenses.

b) The applicants have reviewed the Report of the Board on Rate-Making Associated with Distributor Consolidation dated March 26, 2015 (EB-2014-0138) as well as the Handbook to Electricity Distributor and Transmitter Consolidations dated January 19, 2016. Appropriately, the Board imposes no requirement that a purchase price premium must be fully recovered from efficiencies generated during the deferred rebasing period. This matter is a shareholder issue and does not impact electricity distribution ratepayers.

c) As demonstrated in the table provided formerly provided for Board Staff IR-12(b), the combined utility has ample financial capacity to fund the new term debt over its full twenty-five (25) year amortization period.

d) As described in (a) above, the applicants will account for the new term debt in two components: a premium and transaction costs and expenses component and a book value component. In years one (1) through ten (10) the efficiencies will be directed to the amortization of the premium and transaction costs and expenses component. From year eleven (11) onward any residual premium and transaction costs and expenses component of the long-term debt will be amortized from ROE.

e) The 2016 financial ratios for NT Power and MPUC on a combined basis are listed in the following table:

Combined Utility Financial Ratios

	NT Power	MPUC	Combined
Third party debt to capital	6.7%	29.4%	9.7%
Debt service coverage ratio	4.0	2.3	3.6
Return on equity	7.7%	5.7%	7.3%

BOARD STAFF IR - 6

Ref: OEB Staff Interrogatory No. 15

The applicants have indicated that they are financing 90% of the proposed transaction with new term-debt from the bank.

a) Given the current trend of rising interest rates, please confirm whether the applicants have performed a sensitivity analysis to ensure that the financial viability of the combined utility would not be threatened if interest rates rise.

b) Please confirm if the financial projections and financial ratios for the combined entity includes the new term-debt financing of the proposed transaction.

c) If the projected financial ratios in b) do not include the new term-debt financing, please explain how the additional borrowing impacts the debt to equity ratio and the financial viability of the consolidated entity, in light of the premium being paid on this transaction.

RESPONSE

a) NT Power has performed a sensitivity analysis to ensure the financial viability of the Combined Utility. Upon approval and closing of the transaction a fixed rate loan agreement will be entered into for a twenty-five (25) year period. NT Power's lender provided a quote in January 2018 of 3.98%.

b) NT Power confirms the financial projections and financial ratios for the combined entity include the new term debt financing of the proposed transaction. Further NT Power advises that the 2017 OEB cost of capital parameters have been utilized within the modeling of the financial viability of the Combined Utility.

c) The projected financial ratios in b) include the new term debt financing.

BOARD STAFF IR - 7

Ref: SEC Interrogatory No. 8

"[Ex. D/8, p. 28] Please confirm that NT Power's 2016 year end equity as reported in the OEB yearbook was 43.3% of total assets. Please confirm that this leaves NT Power with additional borrowing room of about $3.6 million without leveraging the NT Power balance sheet below 40% equity. Please reconcile the amount of financing room available with the premium on the transaction."

The applicants have not answered this interrogatory, and have instead referred to OEB Staff Interrogatory No. 12 but that OEB Staff interrogatory does not provide the requested information. OEB staff believes that this information would be helpful in assessing the financial viability of the merged entity and requests that the applicants provide a response.

RESPONSE

NT Power confirms the 2016 year end equity as reported in the OEB yearbook is 43.3% of total assets.

The financing for the proposed transaction is available as shareholder debt is being subordinated and postponed. This results in NT Power having a 2016 third party debt to capital ratio of 6.7%. NT Power has up to $50M of financing capacity available.

BOARD STAFF IR - 8

Ref: SEC Interrogatory No. 12

"[NT Power 2016 Financials, p. 4] Please explain why, while Distribution Revenue increased $413,966 from 2015 to 2016, Gross Profit increased by $1,472,427."

OEB staff requests a response to this interrogatory posed by SEC as the requested information would be helpful in assessing the impact on the financial viability of the merged entity.

RESPONSE

NT Power transitioned to International Financial Reporting Standards ("IFRS") effective January 1, 2015. Gross Profit increased by $1,472,427 due the financial reporting change in the net movement of regulatory deferral accounts. This is now reflected on the statement of income after the provision for income taxes.

BOARD STAFF IR - 9

Ref: SEC Interrogatory No. 14

"[NT Power 2016 Financials, p. 21] Please confirm that NT Power continues to pay 5.48% interest on $23,742,821 owing to its shareholders, in aggregate $1,301,107 per year. Please confirm that the long-term debt rate included in NT Power's rates in its last rebasing was 5.87%, its ROE in that case was 9.85%, its income tax rate was 31.07%, and its working capital allowance was based on 15% of allowable costs. Please confirm that, if NT Power's revenue was adjusted to reflect the current levels of those Board-approved amounts, revenue from rates would have to be reduced by 11.4%, or just over $2 million per year."

In response to this question, the applicants have referred to SEC Interrogatory 12, which was not answered by the applicants.

The applicants have also referred to OEB Staff Interrogatories 16 and 17. OEB staff notes that those questions provide a very different context.

OEB staff requests that the applicants provide an answer to this question as it would be helpful in assessing the financial viability of the merged entity.

RESPONSE

NT Power confirms interest payments of $1.3M annually to shareholders.

The following are included within NT Power's current rates: long term debt rate of 5.48%, income tax rate of 28.25%, return on equity of 9.66% and working capital allowance of 15%.

NT Power is unable to confirm a reduced percentage or dollar figure until OEB policy is applied through a cost of service application. This application would take into consideration rate making principles including cost allocation, rate design, distribution system plan, load forecasting, a business plan and give an opportunity for customer feedback.

As noted in the response to Board Staff IR – 6 (b), the applicants used the 2017 OEB cost of capital parameters in assessing the financial viability of the merged entity.

BOARD STAFF IR - 10

Ref: OEB Staff Interrogatory No. 18

In the response provided, the applicants have explained that the proposed Earnings Sharing Mechanism (ESM) would operate in such a way that excess earnings during years 6 through 10 would be recorded in a deferral and variance account (ESM account), with disposition to occur at the time of rebasing, i.e. in year 11. The applicants have proposed to first use any amounts in the ESM account for rate mitigation that might be required and, for any remaining balance to be distributed to all customers, "in a manner acceptable to the Board". This differs from the ESM set out in the Handbook to Electricity Distributor and Transmitter Consolidations, which requires annual assessment of earnings and excess earnings to be shared with customers annually.

a) Under the applicants' proposal, please confirm whether interest accrues to the balance of the ESM account. If so, please advise of the rate that the applicants are proposing would apply, and explain why. If no interest would apply, please explain your reasons.

b) If there are overearnings from years 6 to 10:

i. Please confirm that it would be considered that all customers overpaid, absent detailed information that showed how specific customer classes over-contributed based on existing rates as adjusted over time.

ii. Please explain why the applicants are proposing that any balance in the ESM account first be applied for any mitigation and why this would not constitute interclass subsidization at the time of rebasing.

c) Please provide the applicants' views on the proposed ESM disposition only at the time of rebasing which creates the potential for inter-generational inequity, in that customers at rebasing or for a period thereafter benefit from over-earnings realized during the period from years 6 to 10, which would otherwise be shared with minimal lag under the OEB's policy for annual disposition of any ESM balance.

RESPONSE

a) The Applicants confirm that interest would accrue to the balance of the ESM account at OEB prescribed rates.

b)

i. If there are overearnings in years 6 to 10, it is confirmed that NT Power would consider that they have arisen from the OEB approved rates paid by all customers.

ii. In the event that rate mitigation is required at the time of rebasing, the amounts required for mitigation would be recovered from all customers through rates. In this scenario, there is inter-class subsidization. In other words, any mitigation measures at the time of rebasing will constitute inter-class subsidization.

Under the Applicants' proposal, the rate impact of any mitigation measures required at the time of rebasing would be lessened by amounts, if any, in the ESM account. With reference to the responses to Board Staff initial interrogatories IR – 5 and IR – 20, the customers that may potentially require mitigation are the Midland General Service classes. The ESM plan proposed considers those customers that may potentially require mitigation as a result of the transaction and accrues the benefit to these customers, who are expected to be customers of the acquired distributor.

c) The Applicants agree that the proposal contains inter-generational inequity in years six (6) to ten (10). However, the Applicants are of the view that the proposed ESM will contribute to rate stability for all customers of the Combined Utility. As a result, the Applicants submit that the benefit of greater rate stability achieved under the Applicants' proposal outweighs the inter-generational inequity which results from the proposal to dispose of any ESM account balance at the time of rebasing. Moreover, the applicants note that inter-generational inequity is inherent when using deferral and variance accounts. This occurs whenever a LDC rebases.

BOARD STAFF IR - 11

Ref: OEB Staff Interrogatory No. 24

In part b) of the response, the applicants state that the projections in the pro-forma statements are based on 2015 actual with cost and customer growth of 2.9% to 3.0% respectively.

a) Please explain how the projected customer growth of 3.0% is derived, providing information on the historical customer growth that would support the assumptions being made.

b) Please provide the projections in the pro-forma statements if customer growth is assumed to be 0%.

RESPONSE

a) NT Power projections in the pro-forma statements are based on a price cap increase of 1.5% and customer growth of 1.5%. The customer growth factor of 1.5% is based on projected customer growth through review of historical growth and discussions with developers and town planners.

b) The 2018 pro-forma statements with zero customer growth are provided below:

Pro Forma Financial Statements 2018

Projected Statement of Comprehensive Income - 2018 (000's)	Combined Utility	NT Power	MPUC
Revenue	122,585	98,376	24,149
Cost of Sales	101,662	81,780	19,882
Net Distribution Revenue	20,923	16,596	4,267
Operating Expenses	18,571	13,953	3,504
Income before undernoted items and income taxes	2,392	2,643	763
Other (income) expenses	503	503	0
Income before income taxes	1,848	2,140	763
Provision for income taxes	490	567	132
Net income	**1,359**	**1,573**	**631**

Projected Statement of Financial Position - 2018 (000's)	Combined Utility	NT Power	MPUC
Assets			
Current Assets	36,103	37,435	6,897
Property, plant and equipment	83,802	72,245	11,557
Goodwill	12,063	0	0
Other non-current assets	3,340	2,000	1,340
Regulatory assets	7,896	6,386	1,510
Total Assets	**143,204**	**118,066**	**21,304**
Liabilities			
Current Liabilities	16,865	13,540	3,325
Long-term Liabilities	77,510	55,083	6,654
Total Liabilities	**94,375**	**68,623**	**9,979**
Shareholder's Equity			
Share capital	27,140	27,140	1,271
Retained earnings	21,689	22,303	10,054
Total Shareholder's Equity	**48,829**	**49,443**	**11,325**
Total Liabilities and Shareholder's Equity	**143,204**	**118,066**	**21,304**

BOARD STAFF IR - 12

Ref: OEB Staff Interrogatory No. 25

In Interrogatory No. 25, OEB staff requested information on how it intends to communicate with customers regarding differences in specific service charges between the Newmarket-Tay and Midland rate zones. NT Power has responded stating that it intends to maintain separately branded websites to facilitate customer communication by service area.

a) Please explain how the maintenance of two separately branded websites will not cause confusion for customers, given the proposed amalgamation of the two distributors.

RESPONSE

a) Please see the response to Board Staff IR – 1.

BOARD STAFF IR - 13

Ref: OEB Staff Interrogatory No. 26

The applicants have confirmed that Conditions of Service will be consolidated and harmonized at the time of rebasing, in year 11. While the Conditions of Service are required to be filed with the OEB, the OEB does not approve the Conditions of Service.

a) Please explain why the applicants are not considering efforts to review and consolidate and harmonize the Conditions of Service earlier than rebasing, identifying any barriers with respect to this matter.

RESPONSE

a) The applicants, based on the experience in consolidating NHL and THEDI, believe it is most efficient and least confusing for customers to consolidate and harmonize conditions of service at the time of rebasing. While there are no barriers to consolidating conditions of service prior to rebasing, the applicants plan to utilize experience gained during the deferred rebasing period to provide guidance in the consolidation of the two sets of conditions of service.

BOARD STAFF IR - 14

Ref: SEC Interrogatory Nos. 15(d) and 20

NT Power has confirmed that it last filed a Distribution System Plan (DSP) in December 2015 and has indicated that the merged entity will file a DSP for the Midland Power rate zone after closing the transaction. NT Power is due to file its next DSP with the OEB by December 2020.

a) If the proposed amalgamation transaction is approved, please confirm that the applicants will be filing a DSP for the consolidated entity by December 2020. If not, please explain.

RESPONSE

a) The applicants confirm they will be filing a DSP for the consolidated entity by December 2020.