



BY EMAIL and RESS

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2300 Yonge Street
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April 12, 2018
Our File: EB20170306

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2017-0306/0307 – Enbridge/Union MAAD and Rate Framework Application

We are counsel to the School Energy Coalition ("SEC"). Enclosed, please find a Notice of Motion on behalf of SEC.

Yours very truly,
Shepherd Rubenstein P.C.

Original signed by

Mark Rubenstein

cc: Wayne McNally, SEC (by email)
Applicants and intervenors (by email)

IN THE MATTER OF the *Ontario Energy Board Act 1998*, Schedule B to the *Energy Competition Act*, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF AND IN THE MATTER OF an Application by Enbridge Gas Distribution Inc. and Union Gas Limited, pursuant to section 43(1) of the *Ontario Energy Board Act, 1998*, for an order or orders granting leave to amalgamate as of January 1, 2019.

AND IN THE MATTER OF an Application by Enbridge Gas Distribution Inc. and Union Gas Limited, pursuant to section 36 of the *Ontario Energy Board Act, 1998*, for an order or orders approving a rate setting mechanism and associated parameters during the deferred rebasing period, effective January 1, 2019.

AND IN THE MATTER OF Rule 27 of the Board's *Rules of Practice and Procedure*.

NOTICE OF MOTION

The School Energy Coalition ("SEC") will make a motion to the Ontario Energy Board ("the Board") at its offices at 2300 Yonge Street, Toronto, on a date and at a time to be fixed by the Board.

PROPOSED METHOD OF HEARING:

SEC has no preference on the method of hearing this motion.

THE MOTION IS FOR:

1. An order requiring Enbridge Gas Distribution Inc. ("Enbridge") and Union Gas Ltd. ("Union", and collectively the "Applicants") to provide full and adequate responses to the following interrogatory, technical conference, and undertaking responses, specifically to provide:
 - a. A list of all documents provided to the Competition Bureau regarding the Ontario distribution transmission and storage market (clarified and narrowed version of SEC Interrogatory #3), and
 - b. All information, reports, analysis or similar documents related to effect of the merger on the competition in the Ontario gas storage market (expanded version of Interrogatory APPrO 7a);
2. Such further and other relief as the SEC may request and the Board may grant.

THE GROUNDS FOR THE MOTION ARE:

1. The Board issued a Notice of Hearing on two applications brought by the Applicants pursuant to sections 43(1) and 36 of the *Ontario Energy Board Act, 1998* for an order granting leave to amalgamate the two utilities, as well as setting the mechanism and associated parameters for rate-setting effective January 1, 2019 for a ten year period.
2. The proposed amalgamation of the two utilities that are as of February 2017 under common ownership would see a merged distributor serving 99.8% of all natural gas customers in Ontario.¹
3. Rule 27.03 of the Board's *Rules of Practice and Procedure* provides that a party may bring a motion seeking direction from the Board if it is not satisfied that a party has provided "full and adequate response to an interrogatory."² The same procedure reasonably applies to responses to technical conference questions, and undertakings.
4. SEC brings this motion because the Applicants' have not provided full and adequate responses to interrogatories posed, as clarified and narrowed at the technical conference. The information requested is relevant to the issues to be decided in this proceeding, and the refusals are unreasonable.
5. The Board has determined that in this proceeding it must determine if a) the Applicants have met the no harm test with respect to the proposed merger (Issues 1 and 2)³, as well as if it will impact any other OEB policies, rules and orders (such as the regulation of new storage) and if so, what are those impacts and how should the Board address them (Issue 6)⁴.

Information Requested

6. Interrogatory SEC #3 requested that the utilities "provide copies of all material provided to the Competition Bureau for its assessment of the transaction between Enbridge Inc. and Spectra Energy,

¹ See OEB 2016 Natural Gas Yearbook, p.12

² Ontario Energy Board, *Rules of Practice and Procedure* (as revised on April 24, 2014)

³ MAADs Application List Issues, Decision and Procedural Order No.3 (March 1 2018), Appendix A,

1. Have the applicants appropriately applied the 'No Harm' test in this case, including in consideration of the OEB's statutory objectives in relation to natural gas?

2. Have the applicants met the test?

⁴ MAADs Application List Issues, Decision and Procedural Order No.3 (March 1 2018), Appendix A,

6. Would the proposed merger impact any other OEB policies, rules or orders (e.g. regulation of new storage, Storage and Transmission Access Rule (STAR)? If so, what are those impacts and how should the OEB address them?

dealing in whole or in part with the impact of the transaction on the Ontario distribution, transmission, and/or storage market.⁵

7. In its response, the Applicants declined to provide any copies of documents. In their response the Applicants stated that they provided approximately 600,000 documents to the Competition Bureau and the Federal Trade Commission (“FTC”) in the United States. Ultimately, the Competition Bureau issued a no action letter and has subsequently not challenged the merger of the parent companies. This in their view is indication of a decision by the Competition Bureau that the merger will not have a detrimental competitive impact on market participants in Ontario. Due to this, the Applicant stated that it declined to provide the requested information as “[i]t would be unduly onerous and of minimal or no probative value for this proceeding.”

8. At the Technical Conference, SEC followed up on this interrogatory, recognizing the extent of the information provided by the parent companies to the Competition Bureau and the FTC. On Panel 1, SEC requested that the Applicants simply provide a list of the documents provided to the Competition Bureau (and/or the FTC) that related specifically to gas distribution in Ontario.⁶

9. The Applicants referred the question to Panel 3, and an undertaking was given (JT1.10), although it was agreed that this was simply to see what response could be provided.⁷ On panel 3, the Applicants refused to provide the information, saying that to “try to go through them all was not feasible in the time available.”⁸

10. During Panel 3 questioning, Mr. Quinn on behalf of FRPO also asked the witness panel about the Competition Bureau and its review of the transaction between Enbridge Inc. and Spectra. Mr. Quinn sought documents related to the issue of the Competition Bureau’s review of the Applicants’ storage.

11. The witness, Mr. Redford, stated that the Competition Bureau specifically reviewed the issue of unregulated storage at Dawn:

MR. REDFORD: I can tell that you the unregulated storage at Dawn was specifically reviewed by the Competition Bureau and the Federal Trade Commission. They both looked

⁵ SEC Interrogatory #3 (See Appendix A)

⁶ Transcript Vol.1, p.77 (See Appendix B)

⁷ Transcript Vol.1, p.77-78 (See Appendix B)

⁸ Transcript Vol.3, p.7(See Appendix C)

at it, and looked at it in detail.⁹

12. The Applicants again relied on the Competition Bureau's no action letter to indicate that the merger will not affect storage competition in Ontario.¹⁰ Mr. Redford on behalf of Union stated "[i]f there were an adverse impact on competition in the marketplace, we would have expected the Competition Bureau and the Federal Trade Commission to act on that."¹¹

13. In response, Mr. Quinn requested specifically storage related documents that were provided so that the parties and the Board can determine what was actually analyzed by the Competition Bureau.¹² The Applicant refused to provide the information.

14. As Mr. Quinn and counsel for SEC explained, the information is relevant since a) Enbridge buys unregulated storage to meet its customer's needs, and b) the forbearance decision may need to be re-examined in light of the merger in order to meet the no harm test.¹³ The Applicants maintained the refusal on the basis that this case is not about "re-opening of NGEIR" and that the documents relate to unregulated storage.¹⁴

15. The Applicants have said that if the proposed merger is approved by the Board, legacy Enbridge in-franchise customers will still be served with storage at market-based rates, as opposed to Union's which will remain cost-based.¹⁵ The Board must ensure that those legacy Enbridge customers are protected if the merger has led to insufficient competition to protect the public interest.

16. Interrogatory APPrO 7(a) requested that the Applicants "[p]lease explain, and quantify, the impact of the proposed merger on competition in gas storage in Ontario."¹⁶ In its response, the Applicant

⁹ Transcript Vol.3, p.24 (See Appendix C)

¹⁰ Transcript Vol.3, p.23-24 (See Appendix C)

¹¹ Transcript Vol.3, p.23-24 (See Appendix C)

¹² Transcript Vol.3, p.25 (See Appendix C):

MR. QUINN:

....Can you, for the purposes of making sure that it is not 600,000, that the documents that pertain specifically to storage, can you provide those on the record such that we can see what was provided to the Competition Bureau to see what was analyzed in respect of storage competition in Ontario and the impact on the market?

¹³ Transcript Vol.3, p.26-27 (See Appendix C)

¹⁴ Transcript Vol.3, p.27 (See Appendix C)

¹⁵ Transcript Vol 2, p.147:

MR. GLUCK: Sure. Yeah, yeah, yeah. Is it fair to say that there will be a situation after amalgamation whereby Union's legacy customers will be provided all of their storage services at cost-based rates while a portion of the storage services provided to Enbridge's legacy customers will be provided at market-based rates?

MR. REDFORD: I'd say yes.

¹⁶ Interrogatory APPrO.7(a) (See Appendix D)

refers to SEC Interrogatory #3.

17. SEC followed up on this matter at the Technical Conference, and asked the Applicants “what you can tell the Board about the impact of the proposed merger on competition and gas storage in Ontario. Do you have information, a report, an analysis, something that the Board can see what this means?”¹⁷

18. Mr. Redford on behalf of the Applicant’s again relied wholly on the Competition Bureau’s review¹⁸ and later stated that “the Board should rely on the outcome of the Competition Bureau and Federal Trade Commission review.”¹⁹

Requests are Reasonable and Relevant

19. SEC submits the revised requested information is both reasonable in scope and relevant to the issues in the issues list.

20. Requesting a list of documents provided to the Competition Bureau regarding the Ontario distribution transmission and storage market is reasonable in scope. It does not require the Applicants to provide 600,000 documents (or the subset of those documents that were provided to the Competition Bureau), but does allow the Board to see what was provided, and if later required, a narrower, targeted group of documents may be requested as appropriate to assist the Board.

21. The Applicants refusal to provide this list is unreasonable as the information is relevant. SEC submits there is no basis for the Board to rely simply on the Competition Bureau’s no-action regarding the merger as suggested by the Applicant.

22. The Competition Bureau’s merger review is much more limited than the Board’s as it relates to the issue of unregulated or non-utility storage. While the Board did forebear from regulating certain of the Applicants’ storage assets in the NGEIR decision, it rightfully determined that the impact of the merger is a relevant issue on the issues list in this proceeding (MAADs Application List Issues 6). The Applicants’ own evidence is that they and their affiliates post-merger own 99.1% of the gas storage in Ontario.²⁰ While the geographic market in NGEIR includes the Northeast United States, the Applicants’ affiliates

¹⁷ Transcript Vol.3, p.64 (See Appendix C)

¹⁸ Transcript Vol.3, p.65 (See Appendix C)

¹⁹ Transcript Vol.3, p.65-66 (See Appendix C)

²⁰ Undertaking JT2.9

own assets in those areas as well.²¹

23. It is not sufficient for the Board to rely solely on the no-action letter by the Competition Bureau with respect to the merger. The Competition Bureau's analysis is different, and grounded in its statutory mandate under the *Competition Act*.

24. Under its legislation, the Competition Bureau *may* bring an application before the Competition Tribunal if it believes a merger or proposed merger, "prevents or lessens, or is likely to prevent or lessen, competition substantially".²² Nothing requires the Competition Bureau to bring an application to the Competition Tribunal if it believes that a merger will have such effect. It is not a mandatory provision, and considering the massive scale of the Enbridge Inc. and Spectra merger, the unregulated storage assets of Union and Enbridge may have been nothing more a small aspect of their review. The Competition Bureau's letter simply says that it "does not, at this time, intend to make an application under section 92 of the Act, in respect to the transaction".²³

25. From the Board's perspective, the storage component it is the more significant aspect. While the Board has forborne from regulating certain storage assets under section 29 of the *Ontario Energy Board Act*²⁴ that decision may need to be re-examined in light of the proposed merger. The Board must ensure that there is "sufficient competition to protect the public interest".²⁵ The combination of Enbridge and Union clearly changes the market dynamics, and thus could potentially harm customers. Whether that is the case is not known at this time, and there is not currently sufficient evidence before the Board to determine whether that is the case. Enbridge's in-franchise customers have historically relied on unregulated market storage. The evidence is that Enbridge already contracts in 2018 for 26.4PJ at a cost of \$18M for third party storage, which would include from Union Gas, at market rates which are already roughly double the cost based rates price.²⁶ The Board recognized the importance of this issue in including Issue 6 on the approved Issues List. The Board must ensure that merger sufficiently protects Enbridge customers if competition is now insufficient.

26. The Applicant's response to APPrO #7, as clarified and followed up by SEC at the technical

²¹ See https://www.enbridge.com/~/_media/Enb/Documents/Factsheets/FS_Natural_Gas_Storage.pdf?la=en, p.2. Enbridge Inc. own gas storage assets in Pennsylvania and Virginia.

²² *Competition Act*, R.S.C., 1985, c. C-34, section 92(1)

²³ Undertaking JT3.11, Attachment 1, p.1 (See Appendix D)

²⁴ *Decision with Reasons* (Natural Gas Electricity Interface Review - EB-2005-0551), November 7 2006

²⁵ *Ontario Energy Board Act*, section 29

²⁶ Interrogatory Board Staff 10(c)

conference, is not responsive to the question posed. The request is for the Applicants to provide any information, reports, analysis that they have conducted, so that the Board can see the quantified impact of the merger on the storage market. That information is clearly relevant to multiple issues on the Issues List. If the Applicants themselves, their parent companies, or affiliates, have undertaken such an analysis, it should be provided to the Board.

27. Even if the Board were to rely on the Competition Bureau, it cannot do so without understanding what specifically they looked at with respect to storage. The Applicant has refused to provide any such information to the Board. It has not only refused to provide copies of the documents related to this issue that it produced to the Competition Bureau, but even refused to provide the list of documents.

28. Applicant cannot have it both ways. If it believes the Board either must or should rely on the Competition Bureau non-action regarding its storage assets, than it must be able to demonstrate that a thorough review was undertaken. It has refused to do so.

29. SEC submits both the list of documents provide to the Competition Bureau, and any information, reports, analysis, or similar documents that the Applicants (or their affiliates) have undertaken regarding the competitive impacts of the merger on the storage market, are relevant to the issues in this proceeding and should be produced.

THE FOLLOWING DOCUMENTARY MATERIAL AND EVIDENCE WILL BE RELIED UPON AT THE HEARING OF THE MOTION:

1. The Record in EB-2017-0306 and EB-2017-0307
2. Such further and other material as counsel may advise and the Board may permit.

September 12, 2018

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Fred Cass
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AND TO: **All Intervenors**

A

ENBRIDGE GAS DISTRIBUTION INC. AND UNION GAS LIMITED

Answer to Interrogatory from
School Energy Coalition (“SEC”)

MAADs Issues List – Issue No. 1 and 2

Question:

Please provide copies of all material provided to the Competition Bureau for its assessment of the transaction between Enbridge Inc. and Spectra Energy, dealing in whole or in part with the impact of the transaction on the Ontario distribution, transmission, and/or storage market.

Response

Under the *Competition Act*, the Commissioner of Competition and his staff at the Competition Bureau (collectively, the “Bureau”) has jurisdiction to review all mergers. For large mergers, such as the merger between Enbridge Inc. and Spectra Energy, the merging companies are required to file a pre-merger notification with the Competition Bureau and obtain clearance before being allowed to close. If the Bureau determines that a merger is likely to adversely affect competition, it may apply to the Competition Tribunal (the “Tribunal”) for an order to prevent, dissolve or alter the merger. Where the Tribunal finds that a merger or a proposed merger “prevents or lessens, or is likely to prevent or lessen, competition substantially” then the Tribunal may prohibit the merger or, in the case of a completed merger, dissolve the merger or order divestiture of shares or assets. If the Bureau concludes that a proposed merger is not anti-competitive, the merger will be cleared by the Bureau and permitted to be completed.

In reviewing a merger, the Bureau’s focus is on the creation or enhancement of market power in any relevant market – notably whether as a result of the transaction, the merged entity is likely to be able to raise prices above competitive levels for a substantial period of time in respect of the relevant product within the relevant geographic market. The scope of the Bureau’s review for the Enbridge-Spectra merger was related to the impact of the parent company merger on the competitive landscape in the distribution, transmission and storage businesses from the perspective of third party customers, competitors and suppliers. This review would have assumed that the parent company merger would result in common control of the underlying regulated and unregulated businesses (including EGD and Union’s unregulated storage capacity of 19.4 PJ and 80.9 PJ, respectively).

The fact that the Bureau issued a no action letter and did not review its decision within the following year represents a clear conclusion that the parent company merger and resulting common control of the underlying distribution, transmission and storage businesses (including the unregulated storage business) did not have a substantial detrimental competitive impact on

market participants. As is its usual practice, the Bureau did not provide any reasons or analysis for its no action letter. Similarly, we responded to the US Federal Trade Commission (“FTC”) competition review process and this included provision of competitively sensitive materials relating to the natural gas transmission and storage businesses (including unregulated storage). While the FTC did negotiate certain remedies applicable to unrelated businesses in the United States, it did not take issue with and cleared the Enbridge-Spectra merger from the perspective of the natural gas transmission and storage businesses (including unregulated storage).

The merging companies provided a massive amount of material to the Bureau (over 600,000 documents), much of which, given the nature of the Competition Bureau’s review, contains detailed customer information and other commercially and competitively sensitive information that the merging parties are not otherwise permitted to share. The Bureau’s examination process is not public and nor is the manner in which the Bureau may or may not have considered the information it received from the merging parties.

For these reasons, the Applicants decline to provide the requested information. It would be unduly onerous and of minimal or no probative value for this proceeding.

B



ONTARIO ENERGY BOARD

FILE NO.: EB-2017-0306
EB-2017-0307

Enbridge Gas Distribution Inc.
Union Gas Limited

VOLUME: Technical Conference

DATE: March 28, 2018

1 things that have nothing to do with this. You would just
2 be looking for the part of that that has to --

3 MR. SHEPHERD: No, the part of it that just deals with
4 the two gas utilities is simple. We have that. What I'm
5 looking for is the overall one, because there are a lot of
6 relationships, right? These two gas utilities have a lot
7 of relationships with other companies within the corporate
8 group, and so if we see the whole org chart, which is -- it
9 is not a secret; it is a public document -- then we'll be
10 able to ask questions about how the amalgamation will
11 affect all those relationships. And I don't think it is a
12 secret document.

13 MR. CASS: Okay, Jay, we'll take that away and see
14 what we can provide. If indeed we can provide a public
15 document, then that should not be a problem, but we'll take
16 it away to see what it is.

17 MR. SHEPHERD: Can we give it an undertaking number
18 just to -- and it is best efforts, obviously.

19 MR. MILLAR: JT1.9.

20 **UNDERTAKING NO. JT1.9: TO PROVIDE A CORPORATE**
21 **STRUCTURE CHART FOR ENBRIDGE INC.**

22 MR. SHEPHERD: Okay. The -- you have -- in SEC 3 you
23 refuse to provide the material that you've provided to the
24 Competition Bureau and to the Federal-whatever-they're-
25 called in the U.S. The FTC.

26 And we understand that it is a big list, and we don't
27 want to see -- we don't want you to back up the truck,
28 because we are not going to read them anyway, but what we

1 would like is, could you give us a list of the documents,
2 just a list, of the documents provided to the federal
3 Competition Bureau and the FTC or the FTC that relates
4 specifically to regulated gas distribution in Ontario.

5 If something has been filed in this case, we don't
6 care. But any documents that have not been filed in this
7 case and relate to regulated gas distribution in Ontario,
8 could you provide us with a list?

9 MR. CASS: So, Jay, I think we were expecting that
10 with a later panel, if I'm not mistaken. But we'll take
11 that away and discuss that with them, and we should be able
12 to get back to you on that.

13 MR. SHEPHERD: Which later panel is this?

14 MR. MANDYAM: Panel 3.

15 MR. SHEPHERD: But you said panel 1 was the MAADs
16 policy.

17 MR. MANDYAM: Yes, gas supply, contracting, gas
18 storage is panel 3, and that was all around the Competition
19 Bureau. So we were connecting it to that.

20 MR. SHEPHERD: Can we give an undertaking now, and
21 then you can talk to them about what they can give in this
22 conference.

23 MR. MANDYAM: Mm hmm, okay.

24 MR. MILLAR: JT1.10.

25 **UNDERTAKING NO. JT1.10: TO PROVIDE A LIST OF**
26 **DOCUMENTS NOT ALREADY FILED IN THIS PROCEEDING**
27 **RELATING TO REGULATED GAS DISTRIBUTION IN ONTARIO THAT**
28 **WERE PROVIDED TO THE COMPETITION BUREAU**

1 MR. CASS: Again, it's an undertaking for me to raise
2 it with them and see what response we can provide to that
3 question, yes.

4 MR. SHEPHERD: Sort of a follow-up to that, and this
5 indeed may have to go to panel 3, is SEC 5, in which we
6 asked what studies had been done on economies of scale,
7 reduction of competition, blah, blah, blah.

8 And you said no, we haven't done any of that, other
9 than materials provided to the competition bureau and the
10 FTC. So I assume that means you have done some studies on
11 these subject that were provided to the competition bureau
12 and the FTC, is that right?

13 MR. CASS: Again, Jay, we were expecting -- I'm sorry
14 if we weren't sufficiently clear. We were expecting those
15 types of questions would be panel 3.

16 MR. SHEPHERD: I'll save it for them.

17 MR. CASS: Thank you.

18 MR. SHEPHERD: Okay. You have provided us in -- I'm
19 trying to remember the number now. In Staff 53, you
20 provided us with the maturities -- the debt maturities that
21 come up during the ten-year deferred rebasing period, which
22 is 3.395 approximately dollars in Staff 53, right? That's
23 the one you corrected.

24 MR. REINISCH: That is correct.

25 MR. SHEPHERD: But we looked at your financial
26 statements and it looks like you actually have public debt
27 of about 6.4 billion, right, between the two companies?

28 MR. REINISCH: Subject to check, yes.

C



ONTARIO ENERGY BOARD

FILE NO.: EB-2017-0306
EB-2017-0307

Enbridge Gas Distribution Inc.
Union Gas Limited

VOLUME: Technical Conference

DATE: April 3, 2018

1 MR. REDFORD: I think we could do that. I think a
2 premise would be is that it would have to have a realistic
3 ability to serve Ontario or the Dawn market.

4 MR. SHEPHERD: Okay.

5 MR. REDFORD: Not -- I think that would be the frame
6 of reference that we'd use.

7 MR. MILLAR: So that is JT3.4.

8 **UNDERTAKING NO. JT3.4: TO INCLUDE ALL THE STORAGE OR**
9 **TRANSPORTATION ASSETS IN WHICH ENBRIDGE OR SPECTRA**
10 **HAVE AN INTEREST THAT COULD BE USED TO SERVE ONTARIO**
11 **CONTINUED QUESTIONS BY MR. QUINN:**

12 MR. QUINN: Thank you, Mr. Millar. Mr. Redford, just
13 to be clear, you keep saying the Dawn market and I'm saying
14 Ontario. If you could you make sure it's Ontario, because
15 Niagara isn't necessarily considered the Dawn market, but
16 in some people's view it would be. But it certainly would
17 be serving Ontario.

18 MR. REDFORD: That's why I started with the geographic
19 market.

20 MR. QUINN: That's great, so serving Ontario is what
21 we'd be...

22 MR. REDFORD: Yes, serving Ontario. That's fair.

23 MR. QUINN: Thank you. I was just going to say a few
24 pages back, but there's a bunch of pages. SEC 3, if you
25 could turn that up, please, and thank you.

26 This was a request by SEC under the Competition Bureau
27 and if we could move to the answer, I guess it is in fact
28 at the bottom of the page.

1 It says:

2 "The fact that the Bureau issued no action letter
3 and did not review its decision within the
4 following year represents a clear conclusion that
5 the parent company merger and resulting common
6 control of underlying distribution, transmission
7 and storage businesses, including unregulated
8 storage, do not have a substantial detrimental
9 competitive impact on market participants."

10 I would suggest to you that that may be a stretch of
11 silence is approval, or in some way consent. Do you have
12 anything else from the Competition Bureau that gives you
13 that type of clarity in terms of their view of competition
14 in the storage market specifically?

15 MR. REDFORD: No, other than the clearance letter.
16 But I would differ with opinion.

17 The Competition Bureau, as well as the Federal Trade
18 Commission are both entities, agencies that are set up to
19 review competitive markets through mergers and
20 acquisitions. That's their business.

21 So the Federal Trade Commission and the Competition
22 Bureau both looked at the merger of Spectra and Enbridge,
23 looked at the common control of assets which would include
24 Union and EGD storage, unregulated storage, and their
25 mandate is to look at whether there is a competitive -- a
26 lessening of competition or an adverse impact on
27 competition in the marketplaces.

28 If there were an adverse impact on competition in the

1 marketplace, we would expected the Competition Bureau and
2 the Federal Trade Commission to act on that.

3 In fact, the Federal Trade Commission did put
4 conditions in the merger with respect to Gulf area assets
5 between Spectra and Enbridge. So I would say the opposite.
6 If the Competition Bureau had an issue with it, then I'm
7 sure that we would have seen something other than...

8 MR. QUINN: That's interesting, Mr. Redford, because I
9 had a couple of conversations with them. And in the
10 initial conversation, they were trying to understand more
11 about NGEIR.

12 In the subsequent conversation, they said frankly this
13 is a merger of the corporate parents and there is no reason
14 or anything in the report that we would put into the report
15 on a regulatory matter. And as such, when I asked them
16 could they put in something that this is a regulatory
17 issue, they deferred and said no, that's not their business
18 to do that.

19 So we are going to differ in terms of what they looked
20 at and what they didn't. This Board is responsible for
21 NGEIR, and so the answer I heard from you is you don't have
22 anything else in writing that you've relied upon for that
23 opinion. Is that correct?

24 MR. REDFORD: I can tell that you the unregulated
25 storage at Dawn was specifically reviewed by the
26 Competition Bureau and the Federal Trade Commission. They
27 both looked at it, and looked at it in detail.

28 MR. QUINN: So my question ...

1 MR. REDFORD: To the extent that -- I am not finished.
2 To the extent that, you know, we submitted some 600,000
3 documents into the Competition Bureau.

4 MR. QUINN: Okay, well, in the request that SEC had
5 provided you had said there was a mountain of documents.
6 Can you, for the purposes of making sure that it is not
7 600,000, that the documents that pertain specifically to
8 storage, can you provide those on the record such that we
9 can see what was provided to the Competition Bureau to see
10 what was analyzed in respect of storage competition in
11 Ontario and the impact on the market?

12 MR. CASS: But Dwayne, as we spoke about the other
13 day, it is unregulated storage that was at issue here, and,
14 no, the applicants are not going to provide documents
15 relating to review of unregulated storage --

16 MR. QUINN: Well, Mr. Cass, just further to that, this
17 is not just regulated storage. The Board regulates
18 storage. They don't regulate the price of storage for the
19 non-utility storage.

20 However, Enbridge regulated storage as being bought at
21 the market, so ratepayers have an interest in what was
22 reviewed for the regulated purchases of Enbridge storage.
23 So that is why we are interested, and that, to me, is
24 pertinent to the issues in front of this Board, and
25 therefore, we make the request again.

26 MR. SHEPHERD: Can I just add to that before you
27 respond, Fred.

28 The NGEIR decision was a forbearance decision. The

1 Board has jurisdiction to regulate storage in Ontario.
2 These companies have storage in Ontario. Some parties may
3 well take the position in this proceeding that the
4 forbearance decision should be vacated if these companies
5 amalgamated. Therefore it is a live issue, and we are
6 entitled to information on this.

7 MR. CASS: Thank you, Jay, yes, so this proceeding is
8 not a reopening of NGEIR. Second, as indicated, these
9 documents -- this review relates to unregulated storage.
10 For those reasons, no, the applicants will not be producing
11 the documents.

12 MR. QUINN: Okay. We have your answer.

13 The previous interrogatory, SEC.2, and it's also in
14 your financial statements, but there were -- there's
15 transactions with the company called "Title", who is, for
16 lack of a better term, a gas marketer; is that correct, Mr.
17 Charleson?

18 MR. CHARLESON: Yes, I think that's a fair
19 characterization.

20 MR. QUINN: And they are owned by Enbridge Inc.?

21 MR. CHARLESON: Yes.

22 MR. QUINN: Okay. So the transactions that are done
23 with Title, are they revenue-sharing or margin-sharing
24 transactions?

25 MR. CHARLESON: Perhaps you can pull up the reference
26 again?

27 MR. QUINN: SEC 2. It is just -- I shouldn't say it's
28 "just", but it is very broad in what it requested, but what

1 MR. QUINN: Okay.

2 MR. MILLAR: JT3.10.

3 **UNDERTAKING NO. JT3.10: USING RATE 10 AND RATE 6, TO**
4 **DISTINGUISH AND DO A CALCULATION OF HOW COSTS ARE**
5 **CURRENTLY GOING TO RATES WITH RESPECT OF UTILITIES.**

6 MR. QUINN: Thank you, Jay.

7 **CONTINUED QUESTIONS BY MR. SHEPHERD:**

8 MR. SHEPHERD: My next question is on APPrO 7, and in
9 7a APPrO asked you to quantify the impact of the proposed
10 merger on competition and gas storage in Ontario. And you,
11 very helpfully, said to them see SEC Interrogatory No. 3,
12 and in Interrogatory No. 3, you said we're not going to
13 answer this.

14 So I wonder if you could tell us what you have, what
15 you can tell the Board about the impact of the proposed
16 merger on competition and gas storage in Ontario. Do you
17 have information, a report, an analysis, something that the
18 Board can see what this means?

19 MR. REDFORD: In APPrO 7, we took to really look at
20 competition in the unregulated storage market in Ontario.
21 And we pointed it back to SEC 3 because the Competition
22 Bureau and the Federal Trade Commission had done an
23 exhaustive review of the unregulated storage market.

24 And again, they are the agencies that are responsible,
25 in a mergers and acquisition case, to determine whether
26 those mergers or acquisitions would have an impact with the
27 common control of the assets underlying it would have an
28 impact on the competitive markets.

1 MR. SHEPHERD: I'm not sure I understand that because
2 I thought the Ontario Energy Board was responsible for
3 determining the impact of competition in the storage market
4 in Ontario. Isn't that in fact in the OEB Act? Am I
5 missing something there?

6 MR. CASS: Jay, I'm not aware that's in the OEB Act.
7 There is the provision of the act under which the Board can
8 forbear from regulation, and it made the determination to
9 do that in respect to certain aspects of storage. So I'm
10 not sure what you are referring to in the Act about the OEB
11 having some jurisdiction over competition for the purposes
12 of what we're talking about here, unregulated storage.

13 MR. SHEPHERD: Well, the OEB Act says that you can't
14 charge a rate for storage unless the OEB approves it.
15 That's the basic requirement. Then the OEB can say we're
16 going to let the competitive market work on this particular
17 rate or this particular component, which they've done in
18 NGEIR, and so then -- but that doesn't take away their
19 jurisdiction to determine whether competition is
20 acceptable.

21 It is not a for-all-time decision; it is a decision as
22 long as the underlying truth is there.

23 MR. CASS: Yes. In respect of rates for storage, the
24 Board made a decision to forego from regulation in respect
25 of certain aspects of storage.

26 My interpretation of what you're saying is that the
27 Board could revisit its decision to forego. I don't see
28 that as giving the Board general jurisdiction over

1 competition. The Board made a decision to forego and I
2 suppose that at some future time, if it saw fit to do so,
3 it could revisit that decision. But that's not in this
4 case.

5 MR. SHEPHERD: So do I understand correctly that you
6 are refusing to answer 7a, APPrO 7a?

7 MR. REDFORD: No, I don't think we're refusing to
8 answer it.

9 What we are saying is that the Competition Bureau and
10 the Federal Trade Commission both looked in detail at the
11 competitive storage market in Ontario and in the geographic
12 market, and determined that there was no diminished --
13 there was no impact on the competitive markets. There was
14 no lessening of competition.

15 MR. SHEPHERD: But you can't give us anything where
16 they said that, number one. And number two, none of that
17 review is on the public record. So just whatever you say,
18 the Board's got to accept it. Is that what you're saying?

19 MR. REDFORD: I would say that the Competition Bureau
20 reviews and the Federal Trade Commission reviews, they have
21 a specific mandate and it is known that they would review
22 mergers and acquisitions specifically for impacts on the
23 competitive market.

24 I think it's a -- I think it's common practice in not
25 just the natural gas industry, but any industry where there
26 is a merger and an acquisition.

27 MR. SHEPHERD: I'm sorry. If I understand your
28 answer -- and I want to be clear because there is a motion

1 coming, right? And so I want to be really clear.

2 It sounds to me like what you're saying is we're
3 refusing to give this information to the Ontario Energy
4 Board because the Competition Bureau, which has
5 jurisdiction, has already reviewed it. Is that fair?

6 MR. REDFORD: Certainly the Competition Bureau has
7 jurisdiction to review mergers and acquisitions, so I would
8 say that is fair, that the Board should rely on the outcome
9 of the Competition Bureau and Federal Trade Commission
10 review.

11 MR. SHEPHERD: Can we have their decision then, so
12 that the Board can rely on it?

13 MR. REDFORD: They're -- like a clearance letter?

14 MR. SHEPHERD: They've communicated with Enbridge and
15 Union saying this is the review we've done on competition
16 in gas distribution. They've told that you in writing.
17 Can we have that, please, so that the Board can rely on it,
18 as you've suggested.

19 MR. REDFORD: Well, I think if you go back to SEC 3
20 and you go back to our answer, the answer would say that
21 basically what we get from the Competition Bureau is a
22 clearance. So, on the second page of that, as is usual
23 practice, the Bureau didn't provide any reasons or analysis
24 for its no action letter. And similarly, the FTC did not
25 provide reasons either.

26 However, the FTC did -- they did look for remedies on
27 business in the Gulf, out of our market area, through the
28 merger.

1 MR. SHEPHERD: I'm not asking about that.

2 MR. REDFORD: No, agreed. So they did not take issue
3 with it and cleared the merger, which would have included
4 the common control of Enbridge -- I should say EGD and
5 Union storage.

6 MR. SHEPHERD: Well, so this is what I'm asking. They
7 didn't just call you up and say, by the way, no problem
8 with storage in Ontario. There was documentation back and
9 forth between the companies and the Competition Bureau
10 which resolved to okay, we're satisfied.

11 That wasn't your clearance letter, but there was
12 documentation, correct?

13 MR. REDFORD: I think we've produced some 600,000
14 documents.

15 MR. SHEPHERD: I'm not asking what you produced. I am
16 asking what they produced. You say they decided it wasn't
17 a problem for the competition in Ontario. Please provide
18 evidence of that, other than your say-so.

19 MR. CASS: Well, Jay, I think the response to SEC 3
20 that we're looking at gives full explanation of the no
21 action letter that was provided by the Competition Bureau.

22 I don't know what more will be added to that by
23 starting down the slope of producing documents that were
24 involved in this Competition Bureau review.

25 MR. SHEPHERD: The problem, Mr. Cass, is that right
26 now, all we have is one person's say-so that the
27 Competition Bureau said -- did a detailed review of this
28 particular issue, which the Board is clearly interested in,

1 and decided that there was no problem, and the suggestion
2 by the company that the Board should rely on that.

3 And so I'm saying please provide evidence of the thing
4 you want them to rely on.

5 MR. CASS: And I think the applicants have done their
6 best to provide that evidence in this response.

7 MS. GIRVAN: Is the letter on the record?

8 MR. SHEPHERD: The clearance letter?

9 MS. GIRVAN: Yes.

10 MR. CASS: No, it's not on the record that I'm aware
11 of. It's described in this response. The response
12 describes the role of the Competition Bureau, what it does
13 in terms of its mandate and what can be taken from that,
14 and the fact that there was a no action letter.

15 MS. GIRVAN: Can we get the letter?

16 MR. GARNER: Are you objecting to putting that letter
17 on the record? Is that what you're saying?

18 MR. CASS: I don't have instructions as to putting
19 that record on the letter (sic). The intent was that this
20 response would describe fully the letter, its context and
21 what it means.

22 **FOLLOW-UP QUESTIONS BY MS. GIRVAN:**

23 MS. GIRVAN: Could we get an undertaking to get the
24 letter on the record?

25 MR. REDFORD: I think we could look at whether there
26 is any confidentiality provisions around that letter. I
27 think we'd have to do that before saying yes, we can
28 produce it.

1 MR. SHEPHERD: Okay. My next question.

2 MR. QUINN: Is that a --

3 MS. GIRVAN: Sorry, could we get an undertaking for
4 that, please?

5 MR. MILLAR: JT3.11.

6 **UNDERTAKING NO. JT3.11: TO PROVIDE THE COMPETITION**
7 **BUREAU NO-ACTION LETTER**

8 MR. SHEPHERD: Just before I move on, Mr. Quinn
9 provided a document which he used in his questioning. I
10 wonder if that needs an exhibit number?

11 MR. MILLAR: I don't have that document. It's one he
12 circulated with the panel?

13 MR. QUINN: Sorry, Mr. Millar, I did submit this --
14 the document of March 27th, I did submit it through the
15 Board.

16 MR. MILLAR: No, I just don't have it in front of me,
17 so do you want to describe what it is and we can just mark
18 it?

19 MR. QUINN: Is that the one that you are referring to,
20 Jay, or the --

21 MR. SHEPHERD: Yeah, it is the one on page -- whatever
22 page of this document that you said. You sent a letter and
23 attached document. Could you show it?

24 MR. QUINN: Okay. So I did some -- yes, that was
25 submitted through the Board.

26 MR. SHEPHERD: Sorry, it's not this one. Sorry, it's
27 not this one.

28 MR. QUINN: Oh, are you talking about the picture?

1 MR. SHEPHERD: Yes.

2 MR. QUINN: That one I just did through e-mail,
3 because everybody was sending stuff through e-mail, so I
4 didn't add the Board secretary because it was just an
5 illustrative document.

6 MR. SHEPHERD: But you asked questions about it.

7 MR. QUINN: Yes, no, I did ask questions --

8 MR. MILLAR: Okay. Let's mark it and move on. It is
9 KT3.1, and it is a map provided by FRPO.

10 **EXHIBIT NO. KT3.1: MAP PROVIDED BY FRPO.**

11 **CONTINUED QUESTIONS BY MR. SHEPHERD:**

12 MR. SHEPHERD: Now, who do I ask questions of with
13 respect to numbers of employees? That's this panel; right?

14 MS. ZELOND: Yes.

15 MR. SHEPHERD: And so you have some estimates of
16 savings going forward. And you were asked by Ms. Girvan on
17 -- or the companies were asked by Ms. Girvan on Wednesday
18 about changes in the numbers of employees.

19 The -- do you have a forecast, an FTE forecast, of
20 some sort anywhere?

21 MS. ZELOND: Can you provide what you are referencing?

22 MR. SHEPHERD: Sorry, I'm looking at page 152 of the
23 transcript on March 28th, where there were questions about
24 numbers of employees and CCC 7, and you were asked by Ms.
25 Girvan, why was there a jump in employees in 2018.

26 MS. ZELOND: Yes.

27 MR. SHEPHERD: And we were told, well, to wait for
28 panel 3. That's you.

1 MS. ZELOND: Okay, yes, so to address the jump in
2 employees between '17 and '18, at the beginning of today I
3 corrected the 2018 number for Union Gas.

4 MR. SHEPHERD: Oh, so that fixes that problem. That
5 was a typo?

6 MS. ZELOND: Yes, we had included employees of a
7 seasonal nature, interns, summer students. We had
8 inadvertently included those employees in the 2018 number
9 and did not include them in the numbers from 2012 to 2017.
10 So the correct number is 2,252.

11 MR. SHEPHERD: So my question is: Why -- what
12 forecast do you have going forward for FTEs? Any?

13 MS. ZELOND: No.

14 MR. SHEPHERD: Thank you. And then --

15 **FOLLOW-UP QUESTIONS BY MR. LADANYI:**

16 MR. LADANYI: Excuse me, can I ask a follow-up
17 question on this?

18 On the first day I had asked questions about this
19 particular interrogatory response and I had asked or I was
20 trying to ask a question about who do we see represented in
21 these numbers. Are these just permanent full-time
22 employees or do they also include contract employees, part-
23 time employees, as you said, seasonal employees? Could you
24 tell us that?

25 MS. ZELOND: Yes. These figures include full-time and
26 part-time regular employees as well as contractors. Now
27 that 2018 number has been corrected it does not include
28 seasonal employees, such as interns and summer students.

1 MR. LADANYI: And the same answer goes for Enbridge as
2 well?

3 MS. ZELOND: The Enbridge numbers on the following
4 page include part-time, full-time, mat leaves. It does not
5 include contractors.

6 MR. LADANYI: So just, again, if I got you right, the
7 Union numbers include contract employees and Enbridge
8 numbers do not include contract employees; is that right?
9 So contract employees would be what I assume, like, short-
10 term contract employees who might work for a couple of
11 years but under contract and not be full-time employees,
12 they would not be subject to benefits and so on?

13 MS. ZELOND: That is correct.

14 MR. LADANYI: So Enbridge numbers do not include those
15 employees, but Union numbers do?

16 MS. ZELOND: That is correct.

17 MR. LADANYI: Thank you.

18 MR. SHEPHERD: I just have a couple of questions on
19 interest costs and interest risk; is that this panel or is
20 this the next panel?

21 MS. ZELOND: I can try -- yes.

22 [Witness panel confers]

23 MR. SHEPHERD: Okay. So we distributed -- we sent you
24 on the weekend and we distributed today a document entitled
25 "interest costs after refinancing", which takes your
26 information from -- and I have to figure out what the
27 reference is now. But you provided a table of refinancings
28 that you have to do, and I can't remember where I got it

1 from. But it was one of your interrogatory responses, and
2 we sent this to you on the weekend, and this seeks to
3 estimate your future costs of interest based on your
4 current projections. Have you seen that? Oh, can we give
5 this a number, by the way.

6 MR. MILLAR: KT3.2. And what is it, Mr. Shepherd?

7 MR. SHEPHERD: It is called "interest costs after
8 financing". It's a spreadsheet calculating the impact of
9 refinancing each of the current Enbridge and Union debt
10 that matures during the deferred rebasing period.

11 **EXHIBIT NO. KT3.2: DOCUMENT ENTITLED "INTEREST COSTS**
12 **AFTER FINANCING".**

13 MR. SHEPHERD: Have you had a chance to look at this?

14 MS. ZELOND: No, sorry, I just received it right now.

15 MR. SHEPHERD: It was sent on the weekend; who looked
16 at it?

17 MR. CASS: Jay, we were expecting that Warren on the
18 next panel would address this.

19 MR. SHEPHERD: Oh, okay. So he has looked at it?

20 MR. CASS: That would be my understanding.

21 MR. SHEPHERD: Awesome. Then I'll save my questions
22 for him. And I think that's all my questions.

23 MR. MILLAR: Thank you, Mr. Shepherd.

24 MR. CASS: Sorry, Jay, just before you finish, not to
25 beat a dead horse, but there was the undertaking given with
26 -- I guess it was the first panel. It is the first volume
27 of the transcript at page 77. This goes back to the
28 Competition Bureau documents.

1 The undertaking, as I indicated, was to check with
2 this panel in respect of the question you asked. Now, it
3 was recorded differently on the transcript, the way the
4 undertaking is stated, so I just wanted to be clear on that
5 that what I indicated you had asked about a list of
6 documents, and I said we were expecting this with a later
7 panel. We'll take this away and discuss that with them,
8 and we should be able to get back to you on that.

9 MR. SHEPHERD: And so did you get back to me on it?

10 MR. CASS: So this panel is here, and that's where we
11 thought it would be addressed, but I'm only raising it
12 because when the undertaking is recorded is to provide a
13 list of documents, and it is not actually the intent of the
14 applicants to do that. This was the expectation that it
15 would be brought up with this panel and then we would
16 explain our position to you.

17 MR. SHEPHERD: Which undertaking is it you are talking
18 about?

19 MR. CASS: It is Undertaking number JT1.10 at page 77
20 of the transcript from the first day.

21 MR. SHEPHERD: So you are now saying, no, we are not
22 going to do that?

23 MR. CASS: Essentially, yes, Jay, you had asked about
24 documents related specifically to regulated gas
25 distribution in Ontario. These 600,000, approximately
26 documents do not specifically relate to regulated gas
27 distribution in Ontario. To try to go through them all and
28 find if there was some reference to that somewhere in the

1 documents, it's not feasible for us in the time that's
2 available.

3 MR. SHEPHERD: Mr. Cass, your witness said there was a
4 detailed review of storage in Ontario, competition for
5 storage in Ontario, so if there is a detailed review
6 presumably there are some documents on that. They are not
7 going to be hard to find; right?

8 MR. CASS: I couldn't say that, Jay. There is a lot
9 of documentation, so I'm just responding to what you had
10 requested, which is documents that relate specifically to
11 regulated gas distribution in Ontario.

12 As far as I'm aware, there is not any documentation
13 that relates specifically to that. To go through them and
14 try to find something that might have touched on that is
15 not a feasible undertaking.

16 MR. SHEPHERD: There are documents related to
17 regulated gas distribution in Ontario in the pile of
18 600,000 documents; right?

19 MR. REDFORD: It wasn't -- it was not the focus of the
20 Competition Bureau or -- well, obviously, not the Federal
21 Trade Commission, but it was not the focus of the
22 Competition Bureau.

23 I think our issue is that we would basically have to
24 go through all 600,000 documents to take a look at what is
25 in each.

26 MR. SHEPHERD: Okay, so -- so your answer is not
27 really responsive. It was a simple question: Do some of
28 the documents have references to regulated gas in Ontario?

1 MR. REDFORD: Yeah, I don't know. I mean, we'd have
2 to look through all 600,000 to take a look and see what's
3 in those.

4 MR. SHEPHERD: It is -- okay, thanks.

5 That's my questions. Thank you.

6 MR. MILLAR: Thank you, Mr. Shepherd.

7 Who is next? Julie?

8 **QUESTIONS BY MS. GIRVAN:**

9 MS. GIRVAN: I have a few follow-ups from previous
10 panels.

11 Could you please turn up LPMA 29, please? Is that the
12 only page? Could you turn to the next page?

13 So this is a comparison of O&M costs per customer
14 between Union and Enbridge, and I just wanted some
15 explanation of why there is signature of such a
16 significance variance. Is it related to the geography of
17 Union's territory, or...

18 MS. ZELOND: Yes. VECC 28 also discusses the
19 differences.

20 MS. GIRVAN: Okay.

21 MS. ZELOND: At a high-level, two main drivers. One
22 is the mix of business. Union has a storage and
23 transmission business that is different than EGD, as well
24 as the geographic differences. So if you could turn to the
25 second page of VECC 28, you can see the differences in the
26 cost by function of the O&M cost by function.

27 MS. GIRVAN: Okay, thanks. Now, I just had a
28 question. I understand one of the commitments that Union

D

ENBRIDGE GAS DISTRIBUTION INC. AND UNION GAS LIMITED

Undertaking of Mr. Redford
To Ms. Girvan

REF: Tr.3 p.68.

To provide the Competition Bureau no-action letter.

Response:

A copy of the Competition Bureau's February 22, 2017 no action letter is provided as Attachment 1. In the letter, the Competition Bureau explains that it does not intend to make an application under section 92 of the Competition Act in respect of the Enbridge-Spectra merger ("Merger") transaction and that, pursuant to section 97 of the Competition Act, it has a one year period following completion of the Merger to bring an application to the Competition Tribunal. In reliance upon this clearance from the Competition Bureau, the Merger closed five days later on February 27, 2017.

As noted in Exhibit C.SEC.3, the Competition Bureau's mandate is to determine whether a proposed merger "prevents or lessens, or is likely to prevent or lessen, competition substantially". The fact that the Competition Bureau issued a no action letter and did not review its decision within the following year represents a clear conclusion that the Merger and resulting common control of the underlying distribution, transmission and storage businesses (including the unregulated storage business) did not have a substantial detrimental competitive impact on market participants.



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Projet-Project: 3111455

FEB 22 2017

Mr. Oliver Borgers
McCarthy Tétrault LLP
Box 48, Suite 5300
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Dear Mr. Borgers:

Re: Proposed acquisition by Enbridge Inc. and/or its affiliates of Spectra Energy Corp and/or its affiliates pursuant to the Agreement and Plan of Merger dated September 5, 2016

I am writing in regard to your letter of October 3, 2016, in which you requested on behalf of Enbridge Inc. and/or its affiliates and Spectra Energy Corp and/or its affiliates the issuance of an Advance Ruling Certificate (“ARC”) pursuant to section 102 of the *Competition Act* (the “Act”) or in the alternative a No-Action Letter, and the merger notifications of the parties received on October 3, 2016 in accordance with section 16 of the *Notifiable Transaction Regulations* with respect to the above-noted transaction (the “Transaction”).

Based on the information provided by the parties, and information obtained from other sources, it would not be appropriate to issue an ARC as requested by the parties. However, the Commissioner of Competition (the “Commissioner”) does not, at this time, intend to make an application under section 92 of the Act in respect of the Transaction. Please note that section 97 of the Act provides a one year period following completion of the Transaction during which the Commissioner may bring an application to the Competition Tribunal.

.../2

-2-

I would appreciate it if you would advise the Merger Notification Unit at ic.avisdefusionmergernotification.ic@canada.ca of the actual closing date of the Transaction. I would like to thank you for your cooperation in the examination of this matter. Should you wish to discuss or have any questions concerning this matter, please contact the reviewing officer, Alex Sarabura at 819-997-5879.

Sincerely yours,



Denis Corriveau
Acting Associate Deputy
Commissioner of Competition
Mergers Directorate

cc: Calvin Goldman, Goodmans LLP
Richard Annan, Goodmans LLP