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BY E-MAIL

May 25, 2018

Mr. Kevin Lloyd
[REDACTED]
[REDACTED]
[REDACTED]

Dear Mr. Lloyd:

Re: Applications by The Corporation of the Town of Collingwood and EPCOR Collingwood Distribution Corp. for approval of share acquisition transactions and related matters

OEB File Numbers: EB-2017-0373/EB-2017-0374

This letter is in response to the letter of comment that you filed on May 7, 2018.

On January 19, 2016, the OEB issued a *Handbook to Electricity Distributor and Transmitter Consolidations* (Handbook) setting out the OEB's scope of review with respect to applications relating to mergers, acquisitions, amalgamations and divestitures (MAADs).

In reviewing a proposed MAADs transaction, the OEB considers the following factors in detail: any impact of the proposed transaction on the price and quality of service to customers, and the cost effectiveness, economic efficiency and financial viability of the consolidating entities. These factors are part of the OEB's statutory objectives. The OEB assesses the cumulative impact of the transaction with respect to these factors. If the OEB finds that the impact is positive or neutral, the OEB will approve the proposed transaction. This is more generally known as the "no harm" test.

The Handbook also clarifies that the OEB will not consider issues relating to the overall merits or rationale for the applicants' consolidation plans nor the negotiating strategies or positions of the parties to the transaction. The OEB will also not consider issues relating to the extent of the due diligence, the degree of public consultation or public disclosure by the parties leading up to the filing of the transaction with the OEB.

The OEB issued a Notice of Hearing for these applications on February 13, 2018

advising that the OEB is holding a public hearing to consider these applications. The OEB's hearing process provides individuals and groups that represent the customers of the utility, in this case Collus PowerStream Corp. (Collus), the opportunity to question the applicants and to file arguments. At the end of this hearing, the OEB will decide whether to approve these applications.

The OEB's hearing is a fully public and transparent process which provides adequate opportunity for the OEB to obtain the information that it requires in order to make a decision on these applications. Any Collus ratepayer that has concerns about the applicants meeting the "no harm" test is free to participate and make submissions to the OEB.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary