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Appendix E

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NBEAI's Notice of Proposal to the Board

Ontario Energy Board
Preliminary Filing Requirements
For a Notice of Proposal under Sections 80 and 81
Of the *Ontario Energy Board Act, 1998*

INSTRUCTIONS:

This form applies to all applicants who are providing a Notice of Proposal to the Ontario Energy Board (the "Board") under sections 80 and 81 of the *Ontario Energy Board Act, 1998* (the "Act"), including parties who are also, as part of the same transaction or project, applying for other orders of the Board such as orders under sections 86 and 92 of the Act.

The Board has established this form under section 13 of the Act. Please note that the Board may require information that is additional or supplementary to the information filed in this form and that the filing of the form does not preclude the applicant from filing additional or supplementary information.

PART I: GENERAL MINIMUM FILING REQUIREMENTS

All applicants must complete and file the information requested in Part I.

1.1 Identification of the Parties

1.1.1 Applicant

Name of Applicant North Bay (Esplanola) Acquisition Inc. ("NBEAI")	File No: (Board Use Only)	
Address of Head Office 74 Commerce Crescent North Bay, ON P1A 0B4	Telephone Number 705-474-8100	
	Facsimile Number 705-474-8579	
	E-mail Address mcasson@northbayhydro.com	
Name of Individual to Contact Melissa Casson, CPA, CGA Vice President of Finance	Telephone Number 705-474-8100 ext: 300	
	Facsimile Number 705-474-8579	
	E-mail Address mcasson@northbayhydro.com	

1.1.2 Other Parties to the Transaction or Project

If more than one attach list

Name of Other Party Espanola Regional Hydro Distribution Corporation ("ERHDC") Espanola Regional Hydro Holdings Corporation ("ERHHC")	File No: (Board Use Only)	
Address of Head Office 598 Second Street, Espanola, Ontario, P5E 1C4	Telephone Number 705-869-2771	
	Facsimile Number 705-759-6510	
	E-mail Address customerservice@erhydro.com	
Name of Individual to Contact Nancy Hembruff	Telephone Number 705-869-0378 ext. 210	
	Facsimile Number 705-869-2433	
	E-mail Address nhembruff@erhydro.com	

Name of Other Party The Corporation Of The Town Of Espanola ("Espanola")	Board Use Only	
Address of Head Office 100 Tudhope Street, Suite 2 Espanola, ON P5E 1S6	Telephone Number 705-869-1540	
	Facsimile Number 705-869-0083	
	E-mail Address rpiche45@gmail.com	
Name of Individual to Contact Ron Piche (Mayor)	Telephone Number 705-862-2772	

	Facsimile Number 705-869-0083	
	E-mail Address rpiche45@gmail.com	

Name of Other Party The Corporation Of The Township Of Sables–Spanish Rivers (“Sables-Spanish”)	Board Use Only	
Address of Head Office 11 Birch Lake Road Massey, Ontario P0P 1P0	Telephone Number 705-865-2646	
	Facsimile Number 705-865-2736	
	E-mail Address inquiries@sables-spanish.ca	
Name of Individual to Contact Les Gamble (Mayor)	Telephone Number 705-865-2655	
	Facsimile Number 705-865-2736	
	E-mail Address les.gamble49@gmail.com	

1.2 Relationship between Parties to the Transaction or Project

1.2.1	<p>Attach a list of the officers, directors and shareholders of each of the parties to the proposed transaction or project.</p> <p><u>North Bay (Espanola) Acquisition Inc.</u></p> <p>Officers Melissa Casson, Vice President of Finance Matt Payne, President and Chief Operating Officer</p> <p>Directors John Krieg Richard Peters David Wolfe</p> <p>Shareholders North Bay Hydro Holdings Ltd.</p> <p><u>North Bay Hydro Holdings Ltd.</u></p> <p>Officers Allan McDonald, Chairman Tanya Vrebosch, Vice-Chair David Euler, Chief Executive Officer Margaret Karpenko, Treasurer Peter E.G. Leckie, Secretary</p> <p>Directors Mike Anthony Mac Bain Chris Mayne Tanya Vrebosch John Krieg Allan McDonald David Hoover Mark King Bill Vrebosch Johanne Brosseau Scott Robertson Dave Mendicino Marcus Tignanelli</p> <p>Shareholder City of North Bay</p> <p><u>Espanola Regional Hydro Holdings Corporation</u></p> <p>Officers Nancy Hembruff, Chief Financial Officer</p> <p>Directors Leslie Gamble Ron Piche Ted Petrus Doug Bois Ronald Duplessis</p> <p>Shareholders The Corporation Of The Town Of Espanola The Corporation Of The Township Of Sables–Spanish Rivers</p>	
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Espanola Regional Hydro Distribution Corporation

Officers

Nancy Hembruff, Chief Financial Officer
Kelly McLellan, Treasurer
Robert Brewer, President

Directors

Ronald Duplessis
Alex Poikkimaki
Ted Petrus
Ron Piche
Doug Gervais
Doug Bois

Shareholder

Espanola Regional Hydro Holdings Corporation

The Corporation Of The Town Of Espanola

Council

Ron Piche (Mayor)
Ray Dufour (Councillor)
Ken Duplessis (Councillor)
Ron Duplessis (Councillor)
Bill Foster (Deputy Mayor)
Heather Malott (Councillor)
Robert Yocom (Councillor)

Staff

Cynthia Townsend (Chief Administrative Officer / Treasurer)
Paula Roque (Clerk / Manager of Planning Services)
Cathy Tessier (Manager of Financial Services)
Joel Yusko (Manager of Leisure Services)
Joel Yusko (Manager of Public Works)
Dave Parker (Assistant Manager of Public Works)
Todd Zimmerman (Police Chief)
Mike Pichor (Fire Chief)
Dan Rivet (Chief Building Official)
Rosemary Rae (Chief Librarian)
Christine Desjardins (Manager of Court Administration)
Cheryl Kennelly (Economic Development Officer/Program Manager)

Shareholders

N/A

The Corporation Of The Township Of Sables-Spanish Rivers

Council

Les Gamble (Mayor)
Kevin Burke (Councillor)
Patricia Hnatuik (Councillor)
Glenda Massicotte (Deputy Mayor)
Cheryl Phillips (Councillor)
Dale Rivers (Councillor)
Susan Sonnenburg (Councillor)

Staff

Kim Sloss (Clerk-Administrator)
Patricia Deline (Treasurer/Tax Collector)

	<p>Mike Campbell (Building Official) Mark Van Breda (Director of Operations) Kelli Hansson (Economic Development Officer) Paul Panesar (Fire Chief) Brady Ropp (Parks & Recreation Coordinator)</p> <p>Shareholders N/A</p>	
1.2.2	<p>Attach a corporate chart describing the relationship between each of the parties to the proposed transaction or project and each of their respective affiliates.</p> <p>See Appendix A of the attached MAADs Application.</p>	

1.3 Description of the Businesses of Each of the Parties

1.3.1	<p>Attach a description of the business of each of the parties to the proposed transaction or project, including each of their affiliates licenced under the OEB Act to operate in Ontario for the generation, transmission, distribution, wholesaling or retailing of electricity or providing goods and services to companies licenced under the OEB Act in Ontario ("Electricity Sector Affiliates").</p> <p>See section 6 and Appendix A of the attached MAADs Application.</p>	
1.3.2	<p>Attach a description of the geographic territory served by each of the parties to the proposed transaction or project, including each of their Electricity Sector Affiliates, if applicable, and the geographic location of all existing generation facilities.</p> <p>See section 6 and Appendix F of the attached MAADs Application.</p>	
1.3.3	<p>Attach a breakdown of the annual sales (in C\$, and in MWh) as of the most recent fiscal year end of the existing generation output among the IESO Administered Markets ("IAM"), bilateral</p>	

	contracts, and local distribution companies.	
	In 2017 fiscal year, the Applicant and its affiliates had total annual revenues from generation of \$936,181, which corresponds to the gross electricity generation of approximately 7,830 MWh. The generated electricity was supplied to Hydro One Networks Inc.	
1.3.4	<p>Attach a list identifying all relevant Board licences and approvals held by the parties to the proposed transaction or project and each of their Electricity Sector Affiliates, and any applications currently before the Board, or forthcoming. Please include all Board file numbers.</p> <p>NBHDL</p> <ol style="list-style-type: none"> 1. Electricity Distribution Licence (ED-2003-0024) 2. 2019 IRM Application (EB-2018-0057) <p>North Bay Hydro Services Inc. ("NBHSI")</p> <ol style="list-style-type: none"> 1. Electricity Generation Licence (EG-2013-0253) 2. NBHSI has filed an application for a retailer licence and a generation licence for its proposed Community Energy Park facility. (The application was submitted to the Board on Dec. 12, 2018; no file number has been issued to date) <p>ERHDC</p> <ol style="list-style-type: none"> 1. Electricity Distribution Licence (ED-2002-0502) 2. Rate Order (Nov 1, 2012) (EB-2011-0319) 3. Order for Interim Rates (February 10, 2016) (EB-2015-0068) 	

1.4 Current Competitive Characteristics of the Market

1.4.1	<p>Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to the completion of the proposed transaction or project.</p> <p>Pursuant to Electricity Generation Licence EG-2013-0253, NBHSI owns and operates the Merrick Landfill Gas Project with an installed capacity of 1.6 MW located at Part of Annulled Lots 10, 11 and 12, Concessions IV and V and Part of Annulled Lots 10 and 11, Concession VI in the unorganized Township of Merrick, District of Nipissing.</p>	
1.4.2	<p>Describe the generation market share based on actual MWh production as a percent of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to completion of the proposed transaction or project.</p> <p>According to the IESO, in 2017 the total annual Ontario energy demand was 132.1 TWh (or 132,100,000 MWh).</p> <p>The actual MWh production of the Merrick Landfill Gas Project in Ontario in 2017 was 7,830 MWh. This represents 0.0059% of the total annual Ontario energy demand.</p>	

1.5 Description of the Proposed Transaction or Project and Impact on Competition - General

1.5.1	<p>Attach a detailed description of the proposed transaction or project, including geographic locations of proposed new transmission or distribution systems, or new generation facilities.</p> <p>See section 1 of the attached MAADs Application.</p>	
1.5.2	<p>Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.</p> <p>The generation capacity of NBHSI will remain unchanged after the completion of the proposed transaction (i.e. the capacity of the Merrick Landfill Gas Project will continue to be 1.6 MW).</p>	
1.5.3	<p>Describe the generation market share based on anticipated MWh production as a percentage of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.</p> <p>The generation market share will remain unchanged after the completion of the proposed transaction or project.</p>	
1.5.4	<p>Attach a short description of the impact, if any, of the proposed transaction or project on competition. If there will be no impact on competition, please state the reasons. Cite specifically the impacts of the proposal on customer choice regarding generation, energy wholesalers, and energy retailers.</p> <p>The proposed transaction will not impact competition. The proposed transaction will effect the eventual amalgamation (after phase 2) of two Northern Ontario distributors—NBHDL and ERHDC. The OEB has acknowledged that consolidation enables distributors to address challenges in an evolving electricity industry. The proposed acquisition and future amalgamation promotes the objectives of the OEB's <i>Renewed Regulatory Framework for Electricity Distributors – A Performance Based Approach</i>. The proposed transaction impacts are anticipated to be positive or neutral.</p>	
1.5.5	<p>Provide confirmation that the proposed transaction or project will have no impact on open access to the transmission or distribution system of the parties or their affiliates. If open access will be affected explain how and why.</p> <p>The proposed transaction will have no impact on open access to the transmission or distribution system of the parties or their affiliates.</p>	

1.6 Other Information

1.6.1	<p>Attach confirmation that the parties to the proposed transaction or project are in compliance with all licence and code requirements, and will continue to be in compliance after completion of the proposed transaction or project.</p> <p>The parties to the proposed transaction are in compliance with all licence and code requirements, and will continue to be in compliance after completion of the proposed transaction or project.</p>	
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PART II: SECTION 80 OF THE ACT—TRANSMITTERS AND DISTRIBUTORS ACQUIRING AN INTEREST IN GENERATORS OR CONSTRUCTING A GENERATION FACILITY

All applicants filing a Notice of Proposal under section 80 of the Act must complete and file the information requested in Part II.

Not Applicable

2.1 Effect on Competition

2.1.2	Describe whether the proposed generation output will be primarily offered into the IAM, sold via bilateral contracts, or for own use.	
2.1.3	Provide a description of the generation including fuel source, technology used, maximum capacity output, typical number of hours of operation in a year, and peaking versus base-load character.	
2.1.4	Provide details on whether the generation facility is expected to sign a “must run” contract with the IESO.	
2.1.5	Provide details of whether the generation facility is expected to serve a “load pocket”, or is likely to be “constrained on” due to transmission constraints.	

2.2 System Reliability

Section 2.2 must be completed by applicants who are claiming that the proposed transaction or project is required for system reliability under section 82(2)(b) of the Act.

2.2.1	Provide reasons why the proposal is required to maintain the reliability of the transmission or distribution system. Provide supporting studies.	
2.2.2	Discuss the effect of the proposal on the adequacy (ability of supply to meet demand) of supply in the relevant control area or distribution region, citing effects on capacity plus reserve levels in comparison to load forecasts.	
2.2.3	Discuss the effect of the proposal on the security (ability of supply to respond to system contingencies) of supply.	
2.2.4	Provide a copy of the IESO Preliminary System Impact Assessment Report, if completed, and the IESO Final System Impact Assessment Report, if completed. If the IESO is not conducting a System Impact Assessment Report, please explain.	

PART III: SECTION 81 OF THE ACT—GENERATORS ACQUIRING AN INTEREST IN OR CONSTRUCTING A TRANSMISSION OR DISTRIBUTION SYSTEM

All applicants filing a Notice of Proposal under section 81 of the Act must complete and file the information requested in Part III.

3.1 Effect on Competition

3.1.1	<p>Provide a description of the transmission or distribution system being acquired or constructed.</p> <p>The ERHDC distribution system is being acquired. ERHDC is a licensed electricity distributor that owns and operates the electricity distribution system that serves approximately 3,288 electricity customers in the Town of Espanola and the Township of Sables-Spanish Rivers. ERHDC is embedded within Hydro One. ERHDC does not host any utilities within its service area.</p> <p>ERHDC Service Area:</p> <table><tr><td>Community served:</td><td>The Town of Espanola and the Township of Sables-Spanish Rivers</td></tr><tr><td>Total service area:</td><td>102 sq. km</td></tr><tr><td>Rural service area:</td><td>76 sq. km</td></tr><tr><td>Distribution type:</td><td>Electricity distribution</td></tr><tr><td>Residential Customers Served:</td><td>2885</td></tr><tr><td>Municipal population:</td><td>8236</td></tr></table>	Community served:	The Town of Espanola and the Township of Sables-Spanish Rivers	Total service area:	102 sq. km	Rural service area:	76 sq. km	Distribution type:	Electricity distribution	Residential Customers Served:	2885	Municipal population:	8236	
Community served:	The Town of Espanola and the Township of Sables-Spanish Rivers													
Total service area:	102 sq. km													
Rural service area:	76 sq. km													
Distribution type:	Electricity distribution													
Residential Customers Served:	2885													
Municipal population:	8236													
3.1.2	<p>Provide details on whether the generation facilities owned by the acquiring company are or will be directly connected to the transmission or distribution system being acquired or constructed.</p> <p>The generation facility owned by NBHSI will not be directly connected to the ERHDC distribution system, which is being acquired NBEAL.</p>													
3.1.3	<p>Provide details of whether the generation facility is expected to serve a “load pocket”, or is likely to be “constrained on” due to transmission constraints.</p> <p>The generation facility is <u>not</u> expected to serve a “load pocket”, and is <u>not</u> likely to be “constrained on” due to transmission constraints.</p>													
3.1.4	<p>Provide details on whether the generation facilities are expected to sign a “must run” contract with the IESO.</p> <p>The generation facility has <u>not</u>, and is <u>not</u> expected to, sign a “must run” contract with the IESO.</p>													

How to Contact the Ontario Energy Board

The Ontario Energy Board is located at:

P.O. Box 2319
2300 Yonge Street, Suite 2701
Toronto, Ontario
M4P 1E4

Telephone:	416-481-1967
Toll Free Number:	1-888-632-6273
Fax:	416-440-7656
Website:	http://www.oeb.gov.on.ca
Board Secretary's e-mail address:	boardsec@oeb.gov.on.ca