

North Bay (Espanola) Acquisition Inc.

**Application for approval for North Bay (Espanola)
Acquisition Inc. to purchase Espanola Regional Hydro
Holdings Corporation and Espanola Regional Hydro
Distribution Corporation, amalgamate them, and operate
the amalgamated company under the name of Espanola
Regional Hydro Distribution Corporation**

**DECISION ON MOTION AND PROCEDURAL ORDER NO. 4
June 6, 2019**

North Bay (Espanola) Acquisition Inc. (the Applicant) filed an application on January 16, 2019 under Sections 86(2)(b), 86(1)(c) and 78 of the *Ontario Energy Board Act*, S.O. 1998, c. 15 (Schedule B) (Act), for approval to purchase Espanola Regional Hydro Holdings Corporation and Espanola Regional Hydro Distribution Corporation, amalgamate them, and operate the amalgamated company under the name of Espanola Regional Hydro Distribution Corporation. The Applicant is asking the Ontario Energy Board (OEB) to approve:

- The acquisition of 100% of the issued and outstanding shares of Espanola Regional Hydro Holdings Corporation and 100% of the special shares of Espanola Regional Hydro Distribution Corporation pursuant to Section 86(2)(b) of the Act
- The amalgamation of Espanola Regional Hydro Holdings Corporation and Espanola Regional Hydro Distribution Corporation pursuant to Section 86(1)(c) of the Act
- The proposed rate making framework under Section 78 of the Act

The OEB issued a Notice of Hearing on February 26, 2019. Mr. Donald Rennick and the School Energy Coalition (SEC) were approved by the OEB as intervenors for this proceeding.

Through Procedural Order No. 2, issued on May 1, 2019, the OEB set out the process for the filing of an Argument-in-Chief and submissions.

On May 1, 2019, Mr. Rennick filed a Notice of Motion with the OEB in which he requested that “the Applicant provide more fulsome responses and additional explanations to the interrogatories”.

On May 3, 2019, the OEB issued Procedural Order No. 3 establishing the schedule for submissions by Mr. Rennick and the Applicant on the motion. Procedural Order No. 3 also suspended the process for the filing of an Argument-in-Chief and submissions as established in Procedural Order No. 2.

Decision on Motion

The motion is denied.

The OEB confirms that it will apply the “no harm” test in assessing the proposed acquisition of the shares of Espanola Regional Hydro Holdings Corporation and Espanola Regional Hydro Distribution Corporation. The “no harm” test considers whether the proposed transaction will have an adverse effect on the attainment of the OEB’s statutory objectives. Where a proposed transaction is determined to have a positive or neutral effect on the attainment of these objectives, the OEB will approve the application.

While Mr. Rennick has raised many matters that are relevant to the OEB’s consideration of the “no harm” test, the OEB is satisfied that the Applicant has provided sufficient information for these points to be addressed in the written submissions.

The Applicant is not necessarily required to confirm statements made by an intervenor in interrogatories, particularly if it does not agree with those statements. Parties have the opportunity to provide in their submissions a particular argument based on the record. North Bay Hydro Distribution Ltd. has filed financial ratios and pro-forma financial statements both with and without the acquisition, in addition to other materials. These can be reviewed and discussed in final submissions in order to advance an argument as to the financial or other impact on North Bay Hydro Distribution Ltd. of the proposed acquisition.

It is necessary to make provision for the following matters related to this proceeding. The OEB may issue further procedural orders from time to time.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The Applicant shall file its Argument-in-Chief with the OEB and forward it to all parties by **June 14, 2019**.
2. OEB staff and intervenors shall file their submissions, if any, with the OEB, and forward it to all parties by **June 28, 2019**.
3. If the Applicant wishes to respond to any of the submissions, the response must be filed with the OEB and forwarded to all parties by **July 12, 2019**.

All filings to the OEB must quote the file number, **EB-2019-0015** and be made electronically in searchable/unrestricted PDF format through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.oeb.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD or USB in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Andrew Bishop at Andrew.Bishop@oeb.ca, and OEB Counsel, Michael Millar at Michael.Millar@oeb.ca.

ADDRESS

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DATED at Toronto, **June 6, 2019**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary