

**Peterborough Distribution Inc.
Peterborough Utilities Services Inc.
Hydro One Networks Inc.
1937680 Ontario Inc.**

**Application for approval to amalgamate Peterborough
Distribution Inc. and Peterborough Utilities Services Inc.
and to sell the amalgamated electricity distribution
system to Hydro One Networks Inc.**

**PROCEDURAL ORDER NO. 7
November 28, 2019**

Peterborough Distribution Inc. (PDI), Peterborough Utilities Services Inc. (PUSI), Hydro One Networks Inc. (Hydro One) and 1937680 Ontario Inc. (collectively, the Applicants) filed an application on October 12, 2018, under sections 86(1)(c), 86(1)(a), 78, 18, 77(5) and 74 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), requesting approval to amalgamate PDI and PUSI, sell the amalgamated corporation to 1937680 Ontario Inc. (a Hydro One Inc. subsidiary) which would in turn dispose of the distribution system to Hydro One. An amended application was filed on November 1, 2018.

To enable the proposed transaction, the Applicants requested various Ontario Energy Board (OEB) approvals.

In accordance with Procedural Order No. 5, issued July 18, 2019, the OEB held a technical conference on October 3 and 4, 2019 for both the Hydro One – PDI¹ and Hydro One – Orillia Power² applications.

On November 11, 2019, the OEB issued Procedural Order No. 6 establishing that an oral proceeding would take place December 2 through 4, 2019. Procedural Order No. 6 required parties intending to participate in the oral proceeding to notify the Applicants by

¹ EB-2018-0242

² EB-2018-0270

November 21, 2019. In addition, Procedural Order No. 6 also requested that parties identify the topic areas they intended to pursue during the oral proceeding.

The OEB has reviewed the topic areas identified by parties in their letter submissions. Based on this review the OEB deems it necessary to clarify the purpose of an oral hearing and the OEB's decision-making authority with respect to the proposed transactions.

Parties are reminded that the purpose of the oral hearing is to ask the Applicants questions about how the applications meet (or do not meet) the "no harm" test.

It is not an opportunity for parties to make their final submissions to the OEB. Final submissions will be conducted in writing, as set out in this Procedural Order. However, the OEB will make provision for oral comments to be made.

The scope of the oral hearing was discussed in Procedural Order No. 6. The test for the applications is the "no harm" test. To the extent there are objections to any particular line of questions, the OEB will consider this at the time the questions are asked and the objections are made.

In applying the "no harm" test, the OEB focusses its review on the impacts of the proposed transaction on price and quality of service to electricity customers, as well as its potential effect on the cost effectiveness, economic efficiency and financial viability of the electricity distribution sector. The "no harm" test does not consider why the parties to a proposed transaction have made the decision to sell or buy a utility, or whether a better deal could theoretically have been struck. Similarly, the OEB will 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 will only consider whether the proposed transaction is likely to cause harm to electricity consumers or the electricity sector as a whole. Parties will not be permitted to ask questions that do not go directly to the OEB's "no harm" test.

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. For parties that do not intend to cross-examine witnesses, the OEB will schedule time on the morning of December 2, 2019 to allow oral comments to be provided to the OEB. A maximum of 10 minutes per party will be allowed. Parties who

elect to provide oral comments will not be permitted to cross-examine witnesses at any point during the oral proceeding. Oral comments will not be subjected to cross-examination by any other party. The OEB may ask clarifying comments to any party providing oral comments. Any person who wishes to make such a presentation must notify the OEB by noon on **November 29, 2019** by email at BoardSec@oeb.ca.

2. Any undertakings from the oral hearing shall be filed with the OEB no later than **December 10, 2019**.
3. The applicants may file their arguments in chief, and serve them on all parties by **December 13, 2019**.
4. Intervenors and OEB Staff may file their final submissions, and serve them on all other parties, by **December 20, 2019**.
5. The applicants may file their reply submissions, and serve them on all other parties, by **January 10, 2020**.

All materials filed with the OEB must quote the file number, **EB-2018-0242**, be made in a searchable/unrestricted PDF format and sent electronically through the OEB's web portal at <https://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 email address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <https://www.oeb.ca/industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have computer access are required to file seven 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 November 28, 2019

ONTARIO ENERGY BOARD

Original signed by

Christine E. Long
Registrar and Board Secretary