



**North Bay Hydro Distribution Limited and Espanola  
Regional Hydro Distribution Corporation**

**Application for approval to amalgamate and continue  
operations as a single electricity distribution company**

**PROCEDURAL ORDER NO. 1  
AND DECISION ON ISSUES LIST  
January 28, 2022**

North Bay Hydro Distribution Limited (North Bay Hydro) and Espanola Regional Hydro Distribution Corporation (Espanola Hydro) (collectively, the Applicants), applied to the Ontario Energy Board (OEB) on November 24, 2021, under section 86(1)(c) of the *Ontario Energy Board Act, 1998, S.O. 1998, c. 15, (Schedule B), (OEB Act)* for approval to amalgamate and continue operations as a new single new local electricity distribution company called New North Bay Hydro Distribution Limited (New NBH).

The Applicants are requesting the following OEB approvals:

- Leave for North Bay Hydro and Espanola Hydro to amalgamate and continue as a new corporation (New NBH);
- Leave to transfer the current and any future rate orders and rate riders of Espanola Hydro to New NBH pursuant to Section 18 of the OEB Act;
- Amendment of North Bay Hydro's distribution license to include Espanola Hydro's service territory pursuant to section 74 of the OEB Act;
- Cancellation of Espanola Hydro's distribution license pursuant to section 77(5) of the OEB Act; and
- Continued tracking of costs by New NBH to existing deferral and variance accounts of North Bay Hydro and Espanola Hydro

A Notice of Hearing was issued on December 16, 2021.

### **Intervention Requests**

Each of Donald D. Rennick and School Energy Coalition (SEC) applied for intervenor status and cost eligibility.

No objection to either intervention request was received from the Applicants.

In his intervention request Mr. Rennick stated that he is interested in participating in this proceeding because he is a resident of North Bay and a customer of North Bay Hydro whose electricity bills will be affected by the outcome of the proposed amalgamation.

In its letter of intervention SEC stated that it is a regular intervenor and is representing the interests of schools in the area.

The OEB is satisfied that each of Donald D. Rennick and SEC have a “substantial interest” in this proceeding within the meaning of Rule 22.02 of the OEB’s [Rules of Practice and Procedure](#) and are approved as intervenors. Cost eligible intervenors should focus their participation on the specific approvals requested in this Phase 2 application and should tailor their participation in keeping with the OEB’s Issue List. Mr. Rennick and SEC are eligible to apply for an award of costs under the OEB’s [Practice Direction on Cost Awards](#). Cost eligible intervenors should be aware that in making its decision on cost awards the OEB will consider if they made reasonable efforts to focus their participation on the issues that are within the scope of the OEB’s review and on material issues. The list of parties in this proceeding is attached as Schedule A to this Procedural Order.

As an individual intervenor who is representing his own interests, Mr. Rennick should carefully review the OEB’s [Practice Direction on Cost Awards](#) and the *Travel, Meal and Hospitality Expenses Directive* referred to in the OEB’s Cost Award Tariff for information about the types of costs and disbursements that an individual may claim.

Being eligible to apply for recovery of costs is not a guarantee of recovery of any costs claimed. Cost awards are made by way of OEB order at the end of a hearing.

### Issues List

The OEB notes that this application is the second phase of a two-phase transaction. In its Decision and Order dated August 22, 2019 (MAADs Decision),<sup>1</sup> the OEB approved Phase 1 of the transaction, which included the amalgamation of North Bay (Espanola) Acquisition Inc. with Espanola Regional Hydro Holdings Corporation and Espanola Regional Hydro Distribution Corporation, with the amalgamated entity continuing under the name Espanola Regional Hydro Distribution Corporation. As part of the MAADs Decision, the OEB also considered a Rate Framework that allowed the Applicants to operate as independent utilities until 2022 and file separate cost of service rebasing applications for 2021 rates.

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<sup>1</sup> EB-2019-0015

North Bay Hydro and Espanola Hydro have completed their respective rebasing applications<sup>2</sup> and are now bringing this application for OEB approval of Phase 2 of the transaction to allow for the amalgamation of North Bay Hydro and Espanola Hydro under Section 86(1)(c) of the OEB Act and related approvals.

Given that Phase 1 of this transaction has been approved by the OEB in the MAADs Decision, the OEB will only consider issues that are specific to Phase 2 of the transaction and the current application before the OEB. In order to assist parties to focus their participation, the OEB has established an issues list. The OEB will only consider issues set out in the approved Issues List which is attached as Schedule B.

### Process

The OEB has decided to hold a written hearing in this proceeding and provision is being made for written interrogatories and arguments. Parties should consult sections 26 and 27 of the OEB's [Rules of Practice and Procedure](#) regarding required naming and numbering conventions and other matters related to interrogatories.

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders may be issued by the OEB.

### IT IS THEREFORE ORDERED THAT:

1. OEB staff and intervenors shall request any relevant information and documentation from the Applicants that is in addition to the evidence already filed, by written interrogatories filed with the OEB and served on all parties by **February 7, 2022**.
2. The Applicants shall file with the OEB complete written responses to all interrogatories and serve them on all parties by **February 15, 2022**.
3. Any written submissions from OEB staff and intervenors shall be filed with the OEB and served on all parties by **February 25, 2022**.
4. Any written reply submission by the Applicants shall be filed with the OEB and served on all parties by **March 4, 2022**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is

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<sup>2</sup> EB-2020-0020 and EB-2020-0043

defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2021-0312** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [Filing Systems page](#) on the OEB's website
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact [registrar@oeb.ca](mailto:registrar@oeb.ca) for assistance

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 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, Keith Ritchie at [keith.ritchie@oeb.ca](mailto:keith.ritchie@oeb.ca) and OEB Counsel, Ljuba Djurdjevic at [Ljuba.Djurdjevic@oeb.ca](mailto:Ljuba.Djurdjevic@oeb.ca).

Email: [registrar@oeb.ca](mailto:registrar@oeb.ca)

Tel: 1-877-632-2727 (Toll free)

**DATED** at Toronto, **January 28, 2022**

**ONTARIO ENERGY BOARD**

**By delegation, before: Nancy Marconi**

Nancy Marconi  
Acting Registrar

**SCHEDULE A**

**PROCEDURAL ORDER NO. 1**

**EB-2021-0312**

**APPLICANT AND LIST OF INTERVENORS**

**North Bay Hydro Distribution Limited MAADs  
Espanola Regional Hydro Distribution Corporation  
EB-2021-0312**

**APPLICANT & LIST OF INTERVENORS**

January 28, 2022

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**APPLICANT**

**Rep. and Address for Service**

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Limited**

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**Espanola Regional Hydro  
Distribution Corporation**

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North Bay Hydro Distribution Limited MAADs  
Espanola Regional Hydro Distribution Corporation  
EB-2021-0312

**APPLICANT & LIST OF INTERVENORS**

January 28, 2022

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**INTERVENORS**

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**Independent Participant**

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Independent Participant

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**School Energy Coalition**

**Ted Doherty**

Executive Director

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**North Bay Hydro Distribution Limited MAADs  
Espanola Regional Hydro Distribution Corporation  
EB-2021-0312**

**APPLICANT & LIST OF INTERVENORS**

**January 28, 2022**

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**School Energy Coalition**

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**SCHEDULE B**

**PROCEDURAL ORDER NO. 1**

**EB-2021-0312**

**ISSUES LIST**

## **SCHEDULE B**

### **ISSUES LIST**

#### **North Bay Hydro/Espanola Regional Hydro (MAADs)**

1. Does the proposed merger satisfy the No Harm Test as documented in the Handbook to Electricity Distributor and Transmitter Consolidations (MAADs Handbook)?
2. Have the Applicants addressed all directions and orders from previous OEB decisions that are directly relevant to this application, namely the Phase 1 application (EB-2019-0015) and Espanola Hydro's and North Bay Hydro's 2021 Cost of Service rebasing applications (EB-2020-0020 and EB-2020-0043)?
3. Is the proposal for the Service Agreement between North Bay Hydro and Espanola Hydro, upon termination of Espanola Hydro's Service Agreement with PUC Distribution Inc. on February 28, 2022, appropriate and meet the requirements of applicable OEB policies, including the Affiliated Relationships Code?
4. Is the proposal for the Earnings Sharing Mechanism consistent with OEB policies, such as the MAADs Handbook?
5. Is the proposal for the next rebasing period for the merged utility appropriate?
6. Are the proposals with respect to rate-setting and accounting matters, including the treatment of deferral and variance accounts, appropriate and meet the requirements of applicable OEB policies?