



EB-2007-0666
EB-2007-0688
EB-2007-0726
EB-2007-0727

NOTICE OF APPLICATIONS AND COMBINED WRITTEN HEARING

Terrace Bay Superior Wires Inc. - Application for Approval to Amend Distribution Rates and Application for Leave to Sell its Distribution System

Hydro One Networks Inc. – Application for Licence Amendment and Application for Approval to Amend Distribution Rates

Terrace Bay Superior Wires Inc. ("TBSW"), a licensed distributor, has filed applications with the Ontario Energy Board (the "Board") dated June 19, 2007 and July 11, 2007 under sections 78 and 86(1)(a) of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B) (the "Act"). Hydro One Networks Inc. ("HONI"), a licensed distributor, has filed applications with the Board dated July 11, 2007 under sections 74 and 78 of the Act. In the interest of efficiency, the Board will combine these proceedings pursuant to its power under section 21(5) of the Act.

TBSW Application for Approval to Amend Distribution Rates

TBSW has filed an application with the Board under section 78 of the Act to amend its distribution rates. The application was received by the Board on June 21, 2007, and the Board has assigned the application file no. EB-2007-0666.

TBSW applied for approval to amend its distribution rates in relation to the Retail Transmission Service – Line and Connection charge for all customer classes. TBSW wanted to cease this charge because HONI had ceased charging TBSW for Retail Transmission Service – Line and Connection charges as a result of a review HONI had

done in relation to the network services used to connect TBSW to the IESO-controlled grid. On July 18, 2007, the Board approved the cessation of the Retail Transmission Service – Line and Connection charge.

As part of the same application, TBSW also applied for consideration of a proposal by HONI to refund the Retail Transmission Service – Line and Connection charges collected since May 1, 2002 to TBSW's ratepayers. This proposal for the refund has not yet been dealt with by the Board and is a subject of this notice. HONI's proposal was attached as an affidavit to TBSW's application. HONI proposes to refund the amount, estimated at \$414,000, collected since May 1, 2002 plus applicable interest charges, and allocated to TBSW's current ratepayers based on previous year's billing consumption. The proposal presumes Board approval of an acquisition of TBSW by HONI.

TBSW Application for Leave to Sell its Distribution System

TBSW has filed an application with the Board under section 86(1)(a) of the Act for leave for TBSW to sell its distribution system to HONI. The application was received by the Board on July 11, 2007, and the Board has assigned the application file no. EB-2007-0688.

The geographic territory currently served by TBSW is:

the Town site of the Township of Terrace Bay covering the area starting at Aguasabon River on the western boundary to a point on Hwy 17, 1 km east of Mill Road in the Township of Terrace Bay, south to Lake Superior and north to the municipal boundary but excluding the pulp and paper mill.

Customers of TBSW will become customers of HONI if the application is granted.

If the application is granted and if the transaction closes, TBSW has requested, under section 77(5) of the Act, that its electricity distribution licence, ED-2002-0543, be canceled.

HONI Application for Licence Amendment

HONI has filed an application with the Board under section 74 of the Act to amend its distribution licence. The application was received by the Board on July 11, 2007, and the Board has assigned the application file no. EB-2007-0726.

If the Board grants TBSW's application for leave to sell its distribution system and if the transaction closes, HONI has applied to amend its distribution licence, ED-2003-0043, to include in its service area the area currently served by TBSW.

HONI Application for Approval to Amend Distribution Rates

HONI has filed an application with the Board under section 78 of the Act to amend its distribution rate order. The application was received by the Board on July 11, 2007, and the Board has assigned the application file no. EB-2007-0727. The application was amended on August 20, 2007.

If the Board grants TBSW's application for leave to sell its distribution system and if the transaction closes, HONI has applied for an amendment to its rate order. HONI is applying to include the TBSW rate schedule as part of HONI's rate schedules. HONI is not applying to change any of the rates set out in the TBSW rate schedule. HONI will maintain TBSW's approved distribution rates and other charges as they were approved by the Board on July 18, 2007. These rates and charges will apply to the customers formerly served by TBSW.

How to see TBSW and HONI's Pre-filed Evidence

Copies of the applications and the pre-filed evidence in support of TBSW and HONI's applications will be available for public inspection at the Board's office, TBSW's office, HONI's office (addresses below), and HONI's website.

How to Participate

You may participate in this proceeding in one of three ways:

You may send the Board a letter of comment. Your letter should include any request to make an oral presentation to the Board, and must be received by the Board no later than 10 days from the publication date of this notice.

You may request observer status in order to receive documents issued by the Board in the proceeding. Your request must be made by letter received by the Board no later than 10 days from the publication date of this notice.

You may request intervenor status if you wish to actively participate in the proceeding. Your request must be made by letter of intervention received no later than 10 days from the publication date of this notice. Your letter of intervention must include a description of how you are, or may be, affected by the proceeding; and if you represent a group, a description of the group and its membership. Your letter of intervention must state the file no. of the application in which you are intervening. The Board intends to proceed with these matters by way of a written hearing unless a party can satisfy the Board that there is a good reason for not holding a written hearing. If you object to the Board holding a written hearing in these matters, you must provide written reasons as to why an oral hearing is necessary. Any submissions objecting to a written hearing must be

included in your letter of intervention. The Board may order costs in this proceeding. You must indicate in your letter of intervention whether you expect to seek costs from the applicant and the grounds for your eligibility for costs. You must provide a copy of your letter of intervention to the applicant.

Need More Information?

Further information on how to participate may be obtained by visiting the Board's Web site at www.oeb.gov.on.ca or by calling our Consumer Relations Centre at 1-877-632-2727.

How to Contact Us

In responding to this notice please reference one or more of file nos. EB-2007-0666, EB-2007-0688, EB-2007-0726 and EB-2007-0727. It is also important that you provide your name, postal address and telephone number and, if available, an e-mail address and fax number. 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.

For your convenience, the Board accepts letters of comment by either post or e-mail. Our e-mail address is Boardsec@oeb.gov.on.ca. Please include the application file reference number(s) in the subject line of your e-mail.

Letters of intervention must be sent to the Board by regular mail to the address below. Please remember that you must send a copy of your request for intervention to the applicant at the address listed below.

IMPORTANT

IF YOU DO NOT REQUEST TO PARTICIPATE IN ACCORDANCE WITH THIS NOTICE, THE BOARD MAY PROCEED IN YOUR ABSENCE AND YOU WILL NOT BE ENTITLED TO ANY FURTHER NOTICE OF THESE PROCEEDINGS.

Addresses

The Board:

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 26th Floor
Toronto, ON
M4P 1E4
Attention: Kirsten Walli
Board Secretary
boardsec@oeb.gov.on.ca
Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656

The Applicants:

Terrace Bay Superior Wires Inc.
P.O. Box 40
31 Simcoe Plaza
Terrace Bay ON P0T 2W0
Attn: Mr. Richard Beare
cao@terrace-bay.com
Tel: 807-825-3315
Fax: 807-825-9576

Hydro One Networks Inc.
483 Bay Street
South Tower, 8th Floor
Toronto ON M5G 2P5
Attn: Mr. Glen MacDonald
regulatory@hydroone.com
Tel: 416-345-5913
Fax: 416-345-5866

DATED at Toronto, August 23, 2007

ONTARIO ENERGY BOARD



Peter O'Dell
Assistant Board Secretary