

ONTARIO ENERGY BOARD NOTICE TO CUSTOMERS OF HYDRO ONE NETWORKS INC. AND ORILLIA POWER DISTRIBUTION CORPORATION

Hydro One Inc. has applied for approval to purchase Orillia Power Distribution Corporation.

Learn more. Have your say.

Hydro One Inc., the owner of Hydro One Networks Inc., has applied to the Ontario Energy Board for approval to purchase all of the shares of Orillia Power Distribution Corporation for \$41.3 million, consisting of a cash payment of \$26.4 million and the assumption of Orillia Power Distribution Corporation's \$14.9 million debt. Hydro One Networks Inc. is asking the Ontario Energy Board to amend its distribution licence to allow Hydro One Networks Inc. to serve Orillia Power Distribution Corporation's customers.

As part of this purchase, Orillia Power Distribution Corporation is asking the Ontario Energy Board to approve:

- a) A one percent reduction in base electricity distribution rates for its current residential and general service customers for five years.
- b) Transfer of its distribution system to Hydro One Networks Inc.
- c) Cancellation of its distribution licence, after the transfer of the distribution system is completed.
- d) Transfer of its rate order to Hydro One Networks Inc. and amending the Specific Service Charges in its transferred rate order.

For a full list of the approvals requested, please carefully review the application.

Hydro One Inc. says that ratepayers will not pay the transaction costs or any premium for this purchase and that rates for customers of Hydro One Networks Inc. and Orillia Power Distribution Corporation will remain separate until 2030. Hydro One Inc. also states that if the transaction is approved, Orillia Power Distribution Corporation's distribution rates will increase by less than inflation in years six to ten following the closing of the transaction. Hydro One Inc. also says that customers of Orillia Power Distribution Corporation will receive a guaranteed benefit of \$2.6 million as part of an earning sharing mechanism.

THE ONTARIO ENERGY BOARD IS HOLDING A PUBLIC HEARING

This is Hydro One Inc.'s second application to the Ontario Energy Board (OEB) after an earlier application seeking OEB approval to purchase Orillia Power Distribution Corporation was denied. The OEB has received a notice of motion to dismiss this second application.

The OEB will first hold a public hearing to consider the motion to dismiss the application. If the motion is denied and the OEB decides to proceed with the application by Hydro One Inc. and Orillia Power Distribution Corporation, the OEB will hold a public hearing to consider the application. We will question the companies on the case. We will also hear arguments from individuals and from groups that represent the customers of both Hydro One Networks Inc. and Orillia Power Distribution Corporation. At the end of this hearing, the OEB will decide whether to approve the application.

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

BE INFORMED AND HAVE YOUR SAY

You have the right to information regarding the application and to be involved in the process.

- You can review the application and the notice of motion on the OEB's website now.
- You can file a letter with your comments, which will be considered during the hearing.
- You can become an active participant (called an intervenor). Apply by **December 10, 2018** or the hearing will go ahead without you and you will not receive any further notice of the proceeding.
- At the end of the process, you can review the OEB's decision and its reasons on our website.

LEARN MORE

Our file number for this case is **EB-2018-0270**. To learn more about this hearing, find instructions on how to file letters or become an intervenor, or to access any document related to this case, please enter the file number **EB-2018-0270** on the OEB website: www.oeb.ca/notice. You can also phone our Consumer Relations Centre at 1-877-632-2727 with any questions.

ORAL VS. WRITTEN HEARINGS

There are two types of OEB hearings – oral and written. The OEB will decide at a later date as to how it wishes to proceed with the motion and if necessary, the application. If you think an oral hearing is needed, you can write to the OEB to explain why by **December 10, 2018**.

PRIVACY

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. However, your personal telephone number, home address and email address will be removed. If you are a business, all your information will remain public. If you apply to become an intervenor, all information will be public.

Hydro One Inc.'s and Orillia Power Distribution Corporation's application is filed under sections 18, 74(1), 77(5), 78(2) and 86(1), 86(2) of the Ontario Energy Board Act, 1998, S.O. 1998 c.15 (Schedule B).



Ontario

Ontario Energy Board / Commission de l'énergie de l'Ontario