Ontario Energy Board
Commission de l’énergie de l’Ontario

DECISION AND ORDER

EB-2018-0014

ALECTRA UTILITIES CORPORATION

GUELPH HYDRO ELECTRIC SYSTEMS INC.

Application for approvals to effect the amalgamation of Alectra Utilities Corporation and Guelph Hydro Electric Systems Inc.

BEFORE: Ken Quesnelle
Vice-Chair and Presiding Member

Christine Long
Vice-Chair and Member

Cathy Spoel
Member

October 18, 2018

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1 INTRODUCTION AND SUMMARY

This is the Decision of the Ontario Energy Board (OEB) on an application filed by Alectra Utilities Corporation (Alectra Utilities) and Guelph Hydro Electric Systems Inc. (Guelph Hydro) (collectively, the Applicants) requesting approval to amalgamate and to continue as Alectra Utilities.

As part of the application, additional approvals are requested to: (a) transfer Guelph Hydro’s electricity generation licence and rate orders to Alectra Utilities; (b) cancel Guelph Hydro’s electricity distribution licence; (c) amend Alectra Utilities’ electricity distribution licence; and (d) continue to track costs to the existing deferral and variance accounts.

The OEB has applied the “no harm” test in assessing this application, and has concluded that the proposed amalgamation meets that test. The OEB therefore approves the application.

2 THE APPLICATION

Alectra Utilities is a wholly-owned subsidiary of Alectra Inc., which is indirectly owned by the cities of Vaughan, Hamilton, Markham, Barrie and St. Catharines, and Enersource Corporation, which is owned by the City of Mississauga (90%) and BPC Energy Corporation (10%). Alectra Utilities was formed on January 1, 2017 through the consolidation of Enersource Hydro Mississauga Inc. (Enersource), Horizon Utilities Corporation (Horizon), PowerStream Inc. (PowerStream), and Hydro One Brampton Networks Inc. (Brampton).

Guelph Hydro is a wholly-owned subsidiary of Guelph Municipal Holdings Inc. (GMHI), which itself is wholly-owned by the City of Guelph and serves the City of Guelph and the Village of Rockwood.

The application filed by Alectra Utilities and Guelph Hydro seeks OEB approval under section 86 of the *Ontario Energy Board Act, 1998* (the Act) for the amalgamation of the two utilities involving the following steps:

- GMHI to sell the shares it owns in Guelph Hydro to Alectra Inc. (the parent company of Alectra Utilities) in exchange for common shares of Alectra Inc.
- Alectra Utilities and Guelph Hydro, being wholly-owned by Alectra Inc., to amalgamate with each other and continue operating as Alectra Utilities

The Applicants have additionally requested the OEB's approval to:

- Transfer Guelph Hydro's electricity generation licence and rate orders to Alectra Utilities, under section 18 of the Act
- Cancel Guelph Hydro's electricity distribution licence, under section 77(5) of the Act
- Amend Alectra Utilities' electricity distribution licence, under section 74 of the Act
- Permit the Applicants to continue tracking costs to the existing deferral and variance accounts

2.1 Process

The OEB issued a Notice of Application and Hearing on April 10, 2018, inviting intervention and comment.

The OEB approved the International Brotherhood of Electrical Workers, Local 636 (IBEW), John and Barbara Barker, Evelyn Grist, Keith McEwen, and the Power Workers' Union (PWU) as intervenors and provided for a written hearing. Only IBEW, PWU and OEB staff filed interrogatories and written submissions on the application. A few ratepayers submitted letters of comment. The Applicants responded to the interrogatories and filed their written Argument-in-Chief and reply submissions on July 26, 2018 and August 23, 2018, respectively.

3 REGULATORY PRINCIPLES

3.1 The No Harm Test

The OEB applies the no harm test in its assessment of consolidation applications.[1] The OEB considers whether the no harm test is satisfied based on an assessment of the cumulative effect of the transaction on the attainment of its statutory objectives. If the proposed transaction has a positive or neutral effect on the attainment of these objectives, the OEB will approve the application.

The statutory objectives to be considered are those set out in section 1 of the Act:

1. To protect the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service

1.1. To promote the education of consumers

2. To promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry

3. To promote electricity conservation and demand management in a manner consistent with the policies of the Government of Ontario

4. To facilitate the implementation of a smart grid in Ontario

5. To promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Government of Ontario, including the timely expansion or reinforcement of transmission systems and distribution systems to accommodate the connection of renewable energy generation facilities

As the OEB explained in its *Handbook to Electricity Distributor and Transmitter Consolidation* (Handbook),[2] "in applying the 'no harm' test, the OEB has primarily focused its review on impacts of the proposed transaction on price and quality of service

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[1] The OEB adopted the "no harm" test in a combined proceeding (RP-2005-0018/EB-2005-0234/EB-2005-0254/EB-2005-0257), as the relevant test for determining applications for leave to acquire shares or amalgamate under section 86 of the Act and it has been subsequently applied in applications for consolidation. As prescribed by the OEB's Handbook to Electricity Distributor and Transmitter Consolidation, the OEB has, and will continue to apply its no harm test in reviewing consolidation transactions.
[2] Handbook to Electricity Distributor and Transmitter Consolidation, January 19, 2016.

to customers, and the cost effectiveness, economic efficiency and financial viability of the electricity distribution sector."[3]

3.2 OEB Policy on Rate-Making Associated with Consolidation

To encourage consolidation in the electricity sector, the OEB has put in place policies on rate-making that provide consolidating distributors with an opportunity to offset transaction costs with savings achieved as a result of the consolidation.

The *Report of the Board on Rate-making Associated with Distributor Consolidation*, issued on March 26, 2015[4] (2015 Report) permits consolidating distributors to defer rebasing for up to ten years from the closing of the transaction. The extent of the deferred rebasing period is at the option of the distributor and no supporting evidence is required to justify the selection of the deferred rebasing period. Consolidating entities, must, however, select a definitive timeframe for the deferred rebasing period.

The 2015 Report sets out the rate-setting mechanisms during the deferred rebasing period, requiring consolidating entities that propose to defer rebasing beyond five years to implement an earnings sharing mechanism (ESM) for the period beyond five years to protect customers and ensure that they share in increased benefits from consolidation.

The OEB's Handbook clarifies that rate-setting following a consolidation will not be addressed in an application for approval of a consolidation transaction unless there is a rate proposal that is an integral aspect of the consolidation, e.g. a temporary rate reduction. Rate-setting for a consolidated entity will be addressed in a separate rate application, in accordance with the rate setting policies established by the OEB.

[3] Handbook to Electricity Distributor and Transmitter Consolidation, January 19, 2016, p. 6.
[4] EB-2014-0138.

4 DECISION ON THE ISSUES

4.1 Application of the No Harm Test

Price, Cost Effectiveness and Economic Efficiency

In order to demonstrate no harm, applicants are required to show that there is a reasonable expectation based on underlying cost structures that the costs to serve customers following a consolidation will be no higher than they would otherwise have been.[5]

The Applicants identified a number of savings that will accrue from the transaction. The Applicants provided a comparison of Operation, Maintenance and Administration (OM&A) and capital costs for a scenario where there is no consolidation (i.e. status quo) versus the post-consolidation scenario over the proposed ten-year deferred rate rebasing period (i.e. 2019-2028 inclusive) and demonstrated that the consolidation will result in lower costs for the amalgamated entity. The Applicants estimated the total quantified savings from synergies before transaction costs to be $40.88 million, which includes $37.04 million of OM&A savings and $3.84 million of capital savings. The Applicants estimated total transaction costs to be $14.27 million, which results in net total savings of $26.61 million over the ten-year period.[6]

The Applicants stated that the OM&A costs savings are expected to result primarily from reductions in labour, reductions in audit, legal and consulting expenses, and reductions in Board of Directors expenses. The capital savings over the initial ten-year period result mainly from the integration of common information systems, specialized equipment and fleet vehicles.[7]

The Applicants submitted that the proposed consolidation is expected to deliver electricity ratepayer savings to the customers of both Alectra Utilities and Guelph Hydro and that the proposed consolidation transaction will enable the Applicants to deliver a broad range of benefits both to their customers and to their shareholders during and after the proposed ten-year rate rebasing deferral period.[8]

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[5] Handbook to Electricity Distributor and Transmitter Consolidation, January 19, 2016, p. 7.
[6] OEB Staff Interrogatory 7 and 10(a).
[7] Argument-in-Chief, p. 10 and OEB Staff Interrogatory 12(e).
[8] Argument-in-Chief, p. 3.

IBEW opposed the application based on its view that the no harm test has not been satisfied. IBEW argued that the cost savings the Applicants are proposing are highly speculative.

PWU submitted that the evidence indicates that the proposed consolidation transaction will cause no harm, and that indeed there may be benefits to be realized as a result of the proposed consolidation transaction during and after the proposed ten-year rate rebasing deferral period.

OEB staff submitted that the evidence provided by the Applicants supports the claim that the proposed amalgamation can reasonably be expected to result in cost savings and operational efficiencies.

Findings

The OEB has determined that the Applicants have satisfied the no harm test with respect to price, cost effectiveness and economic efficiency. The evidence shows that the underlying cost structures to serve acquired customers following the proposed merger will be no higher than they otherwise would have been.

Reliability and Quality of Electricity Service

The Applicants stated that post-merger, Alectra Utilities expects to use Guelph Hydro's existing headquarters as its seventh service centre, while maintaining its existing six service centres located in St. Catharines, Hamilton, Mississauga, Brampton, Markham and Barrie, allowing it to service 16 communities (including Guelph) in total. The Applicants stated that the operations staff that currently respond to outages and power quality issues are expected to continue to serve the communities that they serve at present and therefore the response times will not degrade given that these staffing levels will not be changing.[9]

The Applicants stated that post-merger, Alectra Utilities will maintain Guelph Hydro staff involved in responding to outages and power quality issues during the deferred rate rebasing period (i.e. 2019 to 2028 inclusive), as the Applicants stated that they recognize that local qualified staff are required to maintain the same level of response times to outages and power quality issues that customers in the City of Guelph and Village of Rockwood currently enjoy. The Applicants further submitted that they expect

[9] Application, Exhibit B, Tab 5, Schedule 4, pp. 1-2.

that knowledge and experience will be retained in the Guelph Service Centre, notwithstanding attrition due to retirements or voluntary movement of staff.[10]

The Applicants provided the five-year historical reliability metrics, i.e. System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI), for Alectra Utilities and Guelph Hydro. The Applicants expect that the consolidated entity will maintain or improve upon the five-year average SAIDI and SAIFI reliability indices and the OEB's Customer Service Standard metrics for its customers, including the Guelph rate zone customers, following the consolidation transaction.[11]

In response to interrogatories relating to Conditions of Service, the Applicants stated that if the OEB approves the application, they intend to consolidate the Conditions of Service in due course and inform stakeholders and customers of any proposed changes to the Conditions of Service through stakeholdering initiatives and their public notice process.[12]

IBEW submitted that the transaction has the potential to adversely impact reliability and service quality for Guelph Hydro customers. IBEW stated that the Applicants have indicated that four regions will be served by seven service centres, including the Guelph Hydro operational centre for a minimum of ten years. IBEW argued that if this service centre is moved after ten years, it will negatively affect the quality of service to Guelph consumers who will no longer have local construction, maintenance, trouble response, logistics, fleet and metering services and therefore, may see slower response times.

With respect to reliability and quality of electricity service, neither PWU nor OEB staff expressed any concerns about the amalgamated entity's ability to meet the service quality and reliability standards currently achieved by each of the amalgamating distributors.

Findings

The OEB is satisfied that the way in which the Applicants propose to provide service in the area currently served by Guelph Hydro will be effective in continuing existing levels of service. The OEB has determined that the Applicants have met the no harm test with respect to reliability and quality of electricity service.

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[10] Argument-in-Chief, p. 9 and OEB Staff Interrogatory 11.
[11] Application, Exhibit B, Tab 5, Schedule 4, pp. 2-3
[12] OEB Staff Interrogatory 28.

Financial Viability

The application included financial statements and pro-forma financial statements of the Applicants. In addition, it included details of the capital structure of the parties to the proposed transaction, on an actual basis pre-consolidation and on a pro-forma basis after completion of the proposed transaction. The Applicants explained that the proposed transaction results in the pro-forma capital structure of below 60% debt, if all synergies materialize, which is consistent with an A-range credit rating.[13]

OEB staff submitted that it has no concerns about the impacts of the proposed amalgamation on the financial viability of the Applicants or the broader electricity industry. Neither of the intervenors raised any concerns in this regard.

Findings

The OEB has reviewed the financial information provided by the Applicants and is satisfied that the transaction will not have any impact on the financial viability of the Applicants, so the no harm test is satisfied.

4.2 Rate-making Considerations

Deferred Rate Rebasing and Earnings Sharing Mechanism

As explained by the Handbook, the 2015 Report permits consolidating distributors to defer rebasing for up to ten years from the closing of the transaction and OEB approval is not required for the selected deferral period. However, as set out in the Handbook, consolidating distributors are required to identify in their consolidation application the specific number of years for which they choose to defer, as this allows the OEB to assess any proposed departure from the stated plan.

In this application, Alectra Utilities and Guelph Hydro propose to maintain separate rate zones – one for legacy Alectra Utilities customers in the Enersource, Horizon, PowerStream and Brampton service territories, and one for Guelph Hydro – and to defer the rebasing of rates in the Guelph Hydro rate zone for ten years from the date of the closing of the proposed transaction on January 1, 2019. The Applicants made the following assumptions with respect to rebasing:[14]

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[13] Application, Exhibit B, Tab 6, Schedule 4, Capital Structure, pp. 1-3.
[14] Argument-in-Chief, p. 14.

- Alectra Utilities will apply to rebase and establish distribution rates for the four existing rate zones (i.e. Horizon, Enersource, PowerStream and Brampton) effective from January 1, 2027

- For the Guelph Hydro rate zone, there will be a ten-year rate rebasing deferral period, ending at the end of 2028

- Alectra Utilities will apply to rebase and establish distribution rates for the Guelph Hydro rate zone effective from January 1, 2029, with distribution rates to be established through the Price Cap IR methodology thereafter

- For all five rate zones (i.e. Horizon, Enersource, PowerStream, Brampton and Guelph Hydro), Alectra Utilities will apply to rebase and establish rates for the five rate zones effective from January 1, 2032

OEB Staff's Submissions on the Applicants' Deferred Rate Rebasing Proposal

OEB staff expressed concerns with the Applicants' rebasing proposal. Pursuant to the OEB decision approving the consolidation of Enersource, Horizon, PowerStream and Brampton into the new Alectra Utilities,[15] Alectra Utilities is to rebase for 2027, two years before the proposed rebasing for the Guelph rate zone.

OEB staff argued that it would be better to rebase the entire utility on an enterprise-wide or "holistic" basis, rather than to have staggered rebasing for different rate zones. OEB staff noted that if the Applicants' proposal were accepted, the consolidated utility would not be rebased on an enterprise-wide basis until 2032 (the Applicants contemplate filing a Custom IR application in 2031 for rates for all five rate zones effective from January 1, 2032). That is 13 years after the effective date of the amalgamation, which in OEB staff's view is too long. It would also mean that, when the Guelph Hydro rate zone is rebased for 2029, the rate term would be in effect for only three years (until the enterprise-wide rebasing for 2032), which is less than the standard five-year horizon under the OEB's Price Cap IR methodology.

OEB staff argued that in this case, two of the principles underlying the Handbook are incompatible: "the principle that the consolidated utility should 'operate as one entity as

[15] EB-2016-0025, Decision and Order, December 8, 2016.

soon as possible after the transaction'; [and] the principle that MAADs applicants should be entitled to select a deferral period of up to 10 years."[16]

OEB staff identified two alternatives to the Applicants' rebasing proposal (while acknowledging that "neither is perfect"), and suggest that the Applicants be given the opportunity, following the closing of the transaction, to choose which of them they prefer:

1. Option 1 – Rebase the consolidated utility (all rate zones, including Guelph Hydro) in 2027,[17] or

2. Option 2 – Rebase the consolidated utility (all rate zones, including Guelph Hydro) in 2029

Applicants' Submissions on OEB Staff's Deferred Rate Rebasing Proposal

In their reply submissions, the Applicants' strongly object to OEB staff's position that the consolidated utility should be rebased on a holistic basis in 2027 or 2029.

The Applicants emphasize that under the Handbook, the length of the deferred rebasing period is at the option of the applicant, and no supporting evidence is required.[18] They argue that the deferral period is an integral part of the consolidation plan – changing the deferral period would change the economic calculus of the transaction from both the distributor and customer perspectives. Imposing a different deferral period would fundamentally alter the basis on which the Applicants negotiated and agreed to the amalgamation.

The principle that it is up to the consolidating entity to select its own deferral period, the Applicants suggest, prevails over the principle that consolidating distributors should operate as a single entity as soon as possible after the transaction. They point to the Handbook, which says:

[16] OEB Staff Submissions, p. 10. "MAADs" stands for Mergers, Acquisitions, Amalgamations and Divestitures.
[17] OEB staff also included a variation of Option 1 (i.e. Option 1A), whereby the consolidated utility rebases all its rate zones (including Guelph Hydro rate zone) in 2027, such that the Guelph Hydro rate zone is included in the planned 2027 rebasing application as part of the forecast for all rate zones for the full five years, but the rebased rates for the Guelph Hydro rate zone are implemented starting in 2029.
[18] Handbook to Electricity Distributor and Transmitter Consolidation, January 19, 2016, p. 12.

> The OEB has allowed for a deferred rebasing period to eliminate one of the identified barriers to consolidations. The OEB remains of the view that having consolidating entities operate as one entity as soon as possible after the transaction is in the best interest of consumers. That being said, when a consolidating entity has opted for a deferred rebasing period, it has committed to a plan based on the circumstances of the consolidation. For this reason, if the consolidated entity seeks to amend the deferred rebasing period, the OEB will need to understand whether any change to the proposed rebasing timeframe is in the best interest of customers. [Emphasis added.][19]

The Applicants argue that OEB staff's holistic approach, where all rate zones would be rebased at the same time, would frustrate other objectives underlying the OEB's consolidation policy. For instance, OEB staff's Option 1 would create a disincentive for Alectra Utilities to explore any further consolidation opportunities before 2027, because such a consolidation would not have the advantage of the full ten-year deferral period (a consolidation in 2019 would have a deferral period of no longer than seven years). The implication, the Applicants say, is that a distributor should not participate in more than one consolidation in a ten-year period.

The Applicants contend that the customers affected by a consolidation should receive the benefits of that consolidation. Under their proposal, they argue, the synergistic benefits achieved as a result of the original Alectra Utilities consolidation will be shared with customers of the Enersource, Horizon, PowerStream and Brampton rate zones starting in 2027, when the OEB-approved rebasing deferral period ends. Similarly, customers of Guelph Hydro will benefit from the savings resulting from the proposed consolidation in 2029, when the deferral period selected by the Applicants ends. They further argue that the benefits of the original Alectra Utilities consolidation would be diluted if all rate zones (the four legacy Alectra Utilities zones and the Guelph Hydro zone) were required to rebase in 2027. Current Alectra Utilities customers would be "disadvantaged relative to the Guelph rate zone customers", who were not involved in the original consolidation.

Findings

The OEB finds that OEB staff has raised legitimate concerns about the Applicants' deferred rebasing proposal, and more generally about the establishment of staggered rate rebasing periods associated with sequentially acquired utilities. There is also merit

[19] Handbook to Electricity Distributor and Transmitter Consolidation, January 19, 2016, p. 13.

in the Applicants' position that the Applicants should not lose the benefit of the full proposed ten-year deferral period, nor should the customers in Alectra Utilities' existing four rate zones have any of the benefits of the January 1, 2017 consolidation diminished.

One of the outcomes (but not the only one) of the OEB's existing MAADs policy, as reflected in the Handbook, is for there to be certainty in the length of the rebasing deferral period. Such certainty is desirable so that consolidating utilities can negotiate terms of purchase with a known period to offset the costs of the acquisition. That certainty can come at a cost of long-term regulatory efficiencies, where there are a series of consolidations causing overlaps of deferred rate rebasing periods.

The OEB finds that while there is no perfect solution, on balance, in this situation it would be unfair to introduce changes to the consolidation policy that was relied upon by the Applicants in planning the proposed amalgamation. The Handbook allows consolidating distributors to defer rebasing for up to ten years from the closing of the transaction, at their sole discretion, and that is what the Applicants have based their application upon. The Applicants correctly point out that "[t]he Handbook does not specifically consider the circumstances where a consolidation occurs during a rebasing deferral period from a prior consolidation."[20] Therefore, the OEB finds that even though a ten-year deferred rate rebasing period (i.e. 2019 to 2028 inclusive) raises potential conflicts with some of the other principles underlying the OEB's consolidation policy, it was reasonable for the Applicants to rely upon the policy, and it would be inappropriate for the OEB to impose another deferral period. The OEB therefore approves the Applicants' deferred rate rebasing proposal as filed.

Earnings Sharing Mechanism

Consistent with the Handbook, the Applicants have proposed an ESM whereby earnings in excess of 300 basis points above the OEB's established regulatory return on equity (ROE) for the consolidated entity would be shared on a 50:50 basis between the consolidated entity and its ratepayers for years six to ten of the rebasing deferral period. At this time, however, the Applicants noted that they do not anticipate earnings in excess of 300 basis points over the regulated ROE between years six to ten.[21]

[20] Argument-in-Chief, p. 13.
[21] OEB Staff Interrogatory 21.

Findings

The OEB approves the Applicants' proposal with respect to the ESM, as it is consistent with the Handbook.

4.3 Other Requests

The Applicants have requested the OEB's approval to:

- Transfer Guelph Hydro's electricity generation licence and rate orders to Alectra Utilities, under section 18 of the Act
- Cancel Guelph Hydro's electricity distribution licence, under section 77(5) of the Act
- Amend Alectra Utilities' electricity distribution licence, under section 74 of the Act
- Continue tracking costs to the existing deferral and variance accounts for each existing Alectra Utilities rate zone and for Guelph Hydro to facilitate disposition of the recorded balances at a future date.

None of the parties raised any objections with these requests.

Findings

The OEB grants approval of these ancillary requests, which none of the parties took issue with.

The OEB will include a condition of approval requiring the Applicants to promptly notify the OEB of the completion of the amalgamation. Once this notice is provided to the OEB, the OEB will transfer the rate orders of Guelph Hydro to Alectra Utilities, amend the electricity distribution licence of Alectra Utilities to include the service area formerly served by Guelph Hydro, cancel the electricity distribution licence of Guelph Hydro and transfer Guelph Hydro's electricity generation licence to Alectra Utilities.

5 CONCLUSION

The OEB concludes that the proposed amalgamation of Alectra Utilities and Guelph Hydro, including the Applicants’ ten-year deferral rate rebasing proposal, meets the no harm test. The OEB therefore approves the transaction.

The OEB also approves the Applicants’ additional requests as set out in this Decision and Order relating to:

a) Transfer of Guelph Hydro’s electricity generation licence and rate orders to Alectra Utilities

b) Cancellation of Guelph Hydro’s electricity distribution licence

c) Amendment of Alectra Utilities’ electricity distribution licence

d) Continued tracking of costs to the existing deferral and variance accounts

6 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Alectra Inc. is granted leave to acquire all the issued and outstanding shares in the capital of Guelph Hydro Electric Systems Inc. held by Guelph Municipal Holdings Inc.

2. Alectra Utilities Corporation and Guelph Hydro Electric Systems Inc. are granted leave to amalgamate and continue as Alectra Utilities Corporation.

3. The leave granted in paragraphs 1 and 2 above shall expire 18 months from the date of this Decision and Order.

4. The Applicants shall promptly notify the OEB of the completion of the transactions referred to in paragraphs 1 and 2 above.

5. Once the notice referred to in paragraph 4 is provided to the OEB, the OEB will transfer the rate orders of Guelph Hydro Electric Systems Inc. to Alectra Utilities Corporation.

6. Once the notice referred to in paragraph 4 has been provided to the OEB, the OEB will amend the electricity distribution licence of Alectra Utilities Corporation (ED-2016-0360) to include the service area formerly served by Guelph Hydro Electric Systems Inc. and to include Guelph Hydro Electric Systems Inc.'s Conservation and Demand Management (CDM) targets.

7. When the OEB amends the electricity distribution licence of Alectra Utilities Corporation, it will cancel the electricity distribution licence of Guelph Hydro Electric Systems Inc. (ED-2002-0565) and transfer Guelph Hydro Electric Systems Inc.'s rate orders and electricity generation licence (EG-2004-0438) to Alectra Utilities Corporation.

8. The Applicants are granted approval to continue, after the amalgamation, to track costs to the deferral and variance accounts currently approved by the OEB for each of the Applicants.

DATED at Toronto, October 18, 2018

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary