

Ontario Energy Board

**Preliminary Filing Requirements for Mergers, Acquisitions, Amalgamations, and
Divestitures
in the Ontario Electricity Transmission and Distribution Sector**

INSTRUCTIONS:

All applicants must complete and file the information requested in Part I. If the transaction would result in a change in control of any of the parties to the proposed transaction, the applicant must also complete and file the information requested in Part II. If the application includes a notice under section 80 or 81 of the Ontario Energy Board Act, 1998 (the "Act") the applicant must also complete and file the information requested in Part III. If the applicant is requesting an amendment to its licence as a result of the proposed transaction, the applicant must also complete and file the information set out in Part IV.

The Board has established this form under section 13 of the Act, and requires that a proceeding under sections 80, 81, 85 and 86 of the Act be commenced by filing this form. Please note that the Board may require information that is additional or supplementary to the information filed in this form and that the filing of the form does not preclude the applicant from filing additional or supplementary information.

"Applicant" in this form includes a person who is required to give notice to the Board under sections 80 or 81 of the Act and "application" has a corresponding meaning.

PART I: GENERAL MINIMUM FILING REQUIREMENTS

1.1 Identification of the Parties

1.1.1 Applicant

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| Name of Applicant | File No: (OEB Use Only) | |
| Address of Head Office | Telephone Number | |
| | Facsimile Number | |
| | E-mail Address | |
| Name of Individual to Contact | Telephone Number | |
| | Facsimile Number | |
| | E-mail Address | |

1.1.2 Other Parties to the Transaction

If more than one attach list

| | | | |
|-------------------------------|---|------------------|--|
| Name of Other Party | | OEB Use Only | |
| Address of Head Office | | Telephone Number | |
| | | Facsimile Number | |
| | | E-mail Address | |
| Name of Individual to Contact | | Telephone Number | |
| | | Facsimile Number | |
| | | E-mail Address | |
| 1.1.3 | Attach a list of the officers, directors and shareholders of each of the parties to the proposed transaction. | | |
| 1.1.4 | Attach a corporate chart describing the relationship between each of the parties to the proposed transaction and each of their respective affiliates. | | |

1.2 Description of the Businesses of the Each of the Parties

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| 1.2.1 | Attach a description of the business of each of the parties to the proposed transaction, including each of their affiliates engaged in, or providing goods or services to anyone engaged in, the generation, transmission, distribution or retailing of electricity ("Electricity Sector Affiliates"). | |
| 1.2.2 | Attach a description of the geographic territory served by each of the parties to the proposed transaction, including each of their Electricity Sector Affiliates, if applicable. | |
| 1.2.3 | Attach a description of the customers, including the number of customers in each class, served by each of the parties to the proposed transaction. | |
| 1.2.4 | Provide a description of the proposed geographic service area of each of the parties after completion of the proposed transaction. | |

1.3 Description of the Proposed Transaction

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| 1.3.1 | Indicate the nature of the application/notification: | Check Box | |
| | Amalgamation of a distributor with another corporation (s. 85) | | |
| | Sale, lease or other disposal of all or part of a transmission or distribution system (s. 86(1)) | | |
| | Acquisition of shares of a transmitter or distributor (s. 86(2)) | | |
| | Acquisition/construction of a generation facility by a transmitter or distributor (s. 80). If yes, complete Part III | | |
| | Acquisition/construction of a transmission or distribution system by a generator (s. 81). If yes, complete Part III | | |
| | Amendment to conditions of licence as a result of the proposed transaction. If yes, complete Part IV | | |
| 1.3.2 | Attach a detailed description of the proposed transaction. | | |
| 1.3.3 | Attach the details of the consideration (e.g. cash, assets, shares) to be given and received by each of the parties to the proposed transaction. | | |
| 1.3.4 | Attach the financial statements (including balance sheet, income statement, and sources and uses of funds) of the parties to the proposed transaction for 2 complete years prior to the proposed transaction. | | |
| 1.3.5 | Attach the pro forma financial statements of each of the parties reflecting completion of the proposed transaction. | | |

1.4 Other Information

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| 1.4.1 | Provide copies of all annual reports, proxy circulars, prospectuses or other information filed with securities commissions or similar authorities or sent to shareholders for each of the parties to the proposed transaction and their affiliates within the past 2 years. | | |
| 1.4.2 | Attach copies of all legal documents (or the most recent drafts, if not yet executed) to be used to implement the proposed transaction. | | |
| 1.4.3 | Attach confirmation that the parties to the proposed transaction are in compliance with all licence and code requirements, and will continue to be in compliance after completion of the proposed transaction. | | |
| 1.4.4 | Explain whether the proposed transaction will result in a change of control of any of the parties. If yes, please complete Part II. | | |

PART II: ADDITIONAL FILING REQUIREMENTS

In carrying out its mandate the Board is directed to consider the objectives set out in section 1 of the Act. In this regard, please provide the Board with the following information.

2.1 Facilitate Competition

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| 2.1.1 | Attach a short description of the impact, if any, of the proposed transaction on competition. If there will be no impact on competition, please state the reasons. | | |
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2.2 Non-Discriminatory Access to Transmission and Distribution Systems

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| 2.2.1 | Provide confirmation that the proposed transaction will have no impact on access to the transmission or distribution system of the parties. | |
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2.3 Protect Interests of Consumers

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| 2.3.1 | Provide details of the costs and benefits of the proposed transaction to the consumers of the parties to the proposed transaction. | |
| 2.3.2 | Describe the steps, including details of any capital expenditure plans, that will be taken to ensure that operational safety and system integrity are maintained after completion of the proposed transaction. | |
| 2.3.3 | Provide details, including any capital expenditure plans, of how quality and reliability of service will be maintained after completion of the proposed transaction. | |
| 2.3.4 | Indicate whether the parties to the proposed transaction intend to undertake a rate harmonization process after the proposed transaction is completed. | |
| 2.3.5 | If rate harmonization is planned, please confirm that such rate harmonization will conform with the rate harmonization process contained in the Distribution Rate Handbook. | |
| 2.3.6 | Describe the changes, if any, in rate levels that parties to the proposed transaction are planning. | |
| 2.3.7 | Describe how the proposed change, if any, in rates has been communicated to affected ratepayers. | |

2.4 Promote Economic Efficiency

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| 2.4.1 | Identify and quantify any costs, efficiencies and/or economies of scale that may result from the proposed transaction. | |
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2.5 Financial Viability

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| 2.5.1 | Provide a valuation of any assets or shares that will be transferred in the proposed transaction. Provide details on how this value was determined, including any assumptions made about future rate levels. | |
| 2.5.2 | Provide details of the financing of the proposed transaction. | |
| 2.5.3 | Outline the interest coverage ratios and cashflow to debt ratios of the parties to the proposed transaction prior to and after completion of the proposed transaction. | |
| 2.5.4 | Provide the most recent individual or joint public health and safety audits or environmental audits of the facilities of the parties to the proposed transaction. If public health and safety audits, or environmental audits have not been conducted, provide details of how the potential liability associated with the continued operation of assets has been determined. Provide details of how the parties propose to deal with any potential liabilities. | |

2.6 Facilitate Energy Efficiency and Use of Environmentally Benign Energy Sources

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| 2.6.1 | Provide the details of environmental policies and programs established by each of the parties to the proposed transaction and indicate changes to these policies, if any, that would arise as a result of the proposed transaction. | |
| 2.6.2 | Provide the details of any energy efficiency policies and programs of each of the parties to the proposed transaction and indicate changes to these programs, if any, that would arise as a result of the proposed transaction. | |

2.7 Other

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| 2.7.1 | Provide details of any public consultation process engaged in by the parties to the proposed transaction, and the details of any communication plans for public disclosure of the proposed transaction. | |
| 2.7.2 | Please list all suits, actions, investigations, inquiries or proceedings by any government body, or other legal or administrative proceeding, except proceedings before the Board, that have been instituted or threatened against each of the parties to the proposed transaction or any of their respective affiliates. | |
| 2.7.3 | Please provide the Board with any other information that is relevant to the application. | |

PART III: ACQUISITIONS BETWEEN ELECTRICITY TRANSMITTERS AND DISTRIBUTORS AND ELECTRICITY GENERATORS

If the transaction requires a notice under sections 80 or 81 of the Act, please complete and submit the following information.

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| 3.1.1 | Describe the generation capacity, within the Province of Ontario, of the parties to the proposed transaction, including each of their respective Energy Sector Affiliates, prior to and after the completion of the proposed transaction. | |
| 3.1.2 | Describe the generation market share, within the Province of Ontario, of the parties to the proposed transaction, including each of their respective Energy Sector Affiliates, prior to and after completion of the proposed transaction. | |
| 3.1.3 | Describe what gains in efficiency would result from the proposed transaction. | |

PART IV: AMENDMENTS TO LICENCE

If any of the parties to the proposed transaction is requesting an amendment to its licence as a result of the proposed transaction, please complete and submit the following information.

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| 4.1.1 | If the proposed transaction will require an amendment to the description of the licensed territory contained in Schedule I to the licence of any party to the transaction, please provide a detailed description of the requested change. | |
| 4.1.2 | If any of the parties will not be in compliance with all applicable codes and rules after completion of the proposed transaction, please explain the reasons for such non-compliance. (Note: any application for an exemption from a provision of a rule or code is subject to a separate application process.) | |

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