

March 13, 2015

Ms. Karen General  
General Manager, Corporate Services  
Haldimand County  
Cayuga Administration Building  
45 Munsee Street North  
Cayuga ON N0A 1E0

**Re: OEB Approval – Applications for the Acquisition of Haldimand  
County Hydro Inc. by Hydro One Inc.**

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Further to our discussion today, we are pleased to inform you that on March 12, 2015 the Ontario Energy Board (“OEB”) issued its Decision and Order granting Hydro One leave to acquire all of the issued and outstanding shares of Haldimand County Utilities Inc., holding company of Haldimand County Hydro Inc. The process commenced on July 31, 2014 with Hydro One and Haldimand County filing a Merger, Acquisition, Amalgamation and Divestiture (“MAAD”) application with the OEB and several submissions thereafter as outlined in Appendix A attached. A complete copy of the Decision and Order entitled “Applications for the Acquisition of Haldimand County Hydro Inc. by Hydro One Inc.” dated March 12, 2015 is attached for your convenient reference.

The Share Purchase Agreement (“SPA”) dated June 10, 2014 between Haldimand County and Hydro One includes under Article 1 – Interpretation:

⋮  
“(j) **“Closing Date”** means the later of the first date that is the last Business Day of a month and:

- (i) at least ninety (90) days following the date that all of the Required Approvals are obtained; or
- (ii) follows completion to the satisfaction of Purchaser acting reasonably, including to the extent applicable, commissioning and bringing in-service all of the projects listed in Section 9.1(g).

*or such earlier or later date as may be agreed upon in writing by the Parties, provided that in no event shall any such date be on or after December 31, 2015.”*

Accordingly, the closing date is still conditional on completion of the following capital projects as stipulated in Section 9.1(g) of the SPA:

- (i) South Caledonia Voltage Conversion;
- (ii) Step Down Transformer 62 Replacement;
- (iii) Step Down Transformer 90 Replacement; and
- (iv) Cayuga South Voltage Conversion.

Haldimand County Hydro anticipates that the capital projects listed above will be completed on or around May 31, 2015. Based on the anticipated completion date of the capital projects, a closing date of the last business day of the month of June 2015 would be achievable and allow additional time for Haldimand County Hydro and Hydro One to transact other business matters required prior to the closing date.

We are proud of the accomplishment to-date and work expeditiously to complete the four capital projects.

If you have any questions, please contact me at your earliest convenience and at your request, I can attend the next Council Meeting scheduled for March 24, 2015 to discuss this matter.

Yours truly,

**HALDIMAND COUNTY UTILITIES INC.**



R. Jane Albert  
President & CEO

Cc. Mr. Don Boyle  
Chief Administrative Officer  
Haldimand County

## APPENDIX A

The following chart outlines the process of this proceeding:

ITEM FILED	FILED/ISSUED	COMMENTS
Application and Evidence - MAAD Application Section 86 HONI Application to Purchase HCUI	July 31, 2014	Application and evidence can be found on the OEB's website under <a href="http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/search/rec&amp;sm_udf10=eb-2014-0244&amp;sortd1=rs_dateregistered&amp;rows=200">http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/search/rec&amp;sm_udf10=eb-2014-0244&amp;sortd1=rs_dateregistered&amp;rows=200</a>
Acknowledgement Letter - OEB's Acknowledgment of MAAD Application under Section 86 for HONI to Purchase HCUI and Direction to publish Notice	August 26, 2014	Board Assigned File No. EB-2014-0244  OEB to rule on the following four (4) matters: <ul style="list-style-type: none"> <li>i) HONI to purchase all issued and outstanding shares of HCUI,</li> <li>ii) 1% Rate Reduction on 2014 Base Electricity Delivery Rates,</li> <li>iii) HCHI assets to transfer to HONI, and</li> <li>iv) HCHI distribution licence and rate order to transfer to HONI.</li> </ul>
Notice - OEB Notice to Customers of HONI and HCHI – HONI Application to purchase HCHI	September 10, 2014	Published in the Sachem & Gazette and The Globe and Mail on September 11, 2014 as well as available on both corporate websites and office locations.  Deadline of September 21, 2014 to become an active participant.
Affidavit - Affidavit of HCHI and HONI - Publication of Notice	September 15, 2014	HCHI's Affidavit addressed application and evidence available at office and on website since HONI published both ads in newspapers noted above.
Intervenor Request Letters	September 12, 2014 September 19, 2014	School Energy Coalition ("SEC") Linda Rogers - 800 Cheapside Road, Jarvis
Letters of Comment	September 11, 2014 September 12, 2014	Jean-Claude Arial Dianne McCollum
Procedural Order No. 1	September 26, 2014	Board Staff and Intervenors to file requests for additional information and material on or by <b>October 7, 2014</b> .  HCHI and HONI to file complete responses to interrogatories with the OEB on or by <b>October 20, 2014</b> .
Intervenor Interrogatories to Applicant	October 6, 2014 October 7, 2014 October 8, 2014	Linda Rogers' Interrogatories Board Staff Interrogatories SEC Interrogatories

ITEM FILED	FILED/ISSUED	COMMENTS
Interrogatory Response from Applicant	October 20, 2014	HONI, in cooperation with HCHI, filed responses to interrogatory questions from Linda Rogers, SEC, and Board Staff.
Letter of Comment	October 21, 2014	Betty Ortt
Procedural Order No. 2	October 30, 2014	<p>Board Staff to file written submission on or before <b>November 10, 2014</b>.</p> <p>Intervenors to file written submission on or before <b>November 12, 2014</b>.</p> <p>HCHI and HONI to file written reply submission with the OEB on or before <b>November 20, 2014</b>.</p>
Written Submissions	November 10, 2014 November 12, 2014 November 13, 2014	Board Staff Linda Rogers SEC
Written Reply Submission	November 20, 2014	HONI and HCHI to file a reply to written submissions from Board Staff, Linda Rogers, and SEC. A copy of each submission was distributed at the Board Meeting on November 26, 2014.
Decision and Order	March 12, 2015	<p>OEB issued Decision and Order granting Hydro One leave to acquire all of the issued and outstanding shares of Haldimand County Utilities Inc. The Decision and Order dated March 12, 2015 also notes the following significant items:</p> <ul style="list-style-type: none"> <li>• Haldimand to transfer its distribution system to Hydro One within <b>18 months</b> from the date of Decision and Order,</li> <li>• Haldimand to file with the OEB and forward to intervenors a draft Rate Order that includes proposed Tariff of Rates and Charges by <b>March 23, 2015</b>.</li> </ul>