

Hydro One Networks Inc.

8th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-6408
Fax: (416) 345-5866
Ruth.Greey@HydroOne.com



Ruth Greey

Acting Director – Special Projects
Regulatory Affairs

BY COURIER

July 24, 2009

Ms. Kirsten Walli
Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
P.O. Box 2319
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Hydro One Networks' Request for Leave to Sell Distribution Assets to PowerStream Inc.

Hydro One Networks seeks the Board's approval under Section 86(1)(b) of the *Ontario Energy Board Act* ("the Act"), 1998, for leave to sell assets to PowerStream Inc.

The assets being sold in this transaction are described in the attached Joint Agreement of Sale submission and are illustrated in the attached map. These assets are necessary in serving the public, and through analysis described in the attached Joint Agreement, it has been determined that there will be no impact on the rate payers or any other parties due to this transaction. There are no environmental issues associated with it, and the sale will not affect the safety, reliability, operational flexibility or economic efficiency of Hydro One Networks or PowerStream Inc. PowerStream Inc. supports Hydro One Networks' request for the Board's approval of this sale without a hearing. The sale price is \$15,111.89 plus GST. This price covers the NBV of the assets.

The attachments contain the Joint Agreement of Sale submission. Should you have any questions on this application, please contact Blair MacDonald at (416) 345-5067.

Sincerely,

ORIGINAL SIGNED BY RUTH GREEY

Ruth Greey

Attachment



Application Form for Applications Under Section 86(1)(b) of the *Ontario Energy Board Act, 1998*

Application Instructions

1. Purpose of This Form

This form is to be used by parties applying under section 86(1)(b) of the *Ontario Energy Board Act, 1998* (the "Act"). 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.

2. Completion Instructions

This form is in a writeable PDF. The applicant must either:

- type answers to all questions, print two copies, and sign both copies; or
- print a copy of the form, clearly print answers to all questions, make a copy, and sign both copies.

Please send both copies of the completed form and two copies of any attachments to:

Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

If you have any questions regarding the completion of this application, please contact the Market Operations Hotline by telephone at 416-440-7604 or 1-888-632-6273 or email at market.operations@oeb.gov.on.ca.

The Board's "Performance Standards for Processing Applications" are indicated on the "Corporate Information and Reports" section of the Board's website at www.oeb.gov.on.ca. Applicants are encouraged to consider the timelines required to process applications to avoid submitting applications too late. If the submitted application is incomplete, it may be returned by the Board or there may be a delay in processing the application.

PART I: IDENTIFICATION OF PARTIES

1.1 Name of Applicant

Legal name of the applicant: Hydro One Networks Inc.
Name of Primary Contact: Blair MacDonald
Title/Position: Senior Advisor – Regulatory Affairs
Address of Head Office: 483 Bay Street, South Tower, 8th Floor, Toronto On., M5G 2P5
Phone, Fax, Email: 416-345-5067, 416-345-5866 (fax) blair.macdonald@hdyroone.com

1.2 Other Party to the Transaction (If more than one attach a list)

Name of other party: Power Stream Inc.
Name of Primary Contact: Paula Conboy
Title/Position: VP - Regulatory and Gov't Affairs
Address of Head Office: 161 Cityview Boulevard, Vaughn On., L4H 0A9
Phone, Fax, Email: 905-532-4526, 905532-4557 (fax), paula.conboy@powerstream.ca

1.3 If the proposed recipient is not a licensed distributor or transmitter, is it a distributor or transmitter that is exempted from the requirement to hold a distribution or transmission licence?

- Yes
 No

PART II: DESCRIPTION OF ASSETS TO BE TRANSFERRED

2.1 Please provide a description of the assets that are the subject of the proposed transaction.

The proposed sale involves purchasing approximately 2.5 km of single phase 4.8 KV line currently owned by Hydro One Networks Inc. (“Hydro One”) by PowerStream Inc. (“PowerStream”). These assets will be used by PowerStream for the purpose of eliminating their Long Term Load Transfers.

2.2 Please indicate where the assets are located – whether in the applicant’s service area or in the proposed recipient’s service area (if applicable). Please include a map of the location.

The physical location of the proposed assets to be sold are entirely within PowerStream’s (the purchaser’s) service territory. There is approximately 1.04 km of single phase 4.8 KV line on Albion/Vaughan Townline Road and approximately 1.45 km of single phase 4.8 KV line on King/Vaughan Townline Road in Vaughan.

See Attachment 2 – detailed diagram of the proposed sale.

2.3 Are the assets surplus to the applicant’s needs?

- Yes
 No

If yes, please indicate why the assets are surplus and when they became surplus.

These assets are within PowerStream’s (the purchaser’s) service territory and currently do not serve any Hydro One customers. There are no plans by Hydro One to serve any of its customers from these assets in the future.

2.4 Are the assets useful to the proposed recipient or any other party in serving the public?

- Yes
 No

If yes, please indicate why.

Yes, these assets will continue to supply the load to the existing customers at the same location as they are being served presently. The proposed sale is an ownership change and will eliminate PowerStream’s Long Term Load Transfers.

2.5 Please identify which utility’s customers are currently served by the assets.

PowerStream’s customers are currently served by the assets. This is an ownership change and will

eliminate PowerStream's Long Term Load Transfers.

2.6 Please identify which utility's customers will be served by the assets after the transaction and into the foreseeable future.

PowerStream's customers will be served by these assets

PART III: DESCRIPTION OF THE PROPOSED TRANSACTION

3.1 Will the proposed transaction be a sale, lease or other?

- Sale
- Lease
- Other

If other, please specify.

3.2 Please 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.

This is a cash sale. The total sale price is \$15,111.89 plus GST. The sale price represents the net book value of approximately 2.5 km of Hydro One's single phase 4.8 KV line.

3.3 Would the proposed transfer impact any other parties (e.g. joint users of poles) including any agreements with third parties?

- Yes
- No

If yes, please explain how.

3.4 Would the proposed transfer impact distribution or transmission rates of the applicant?

- Yes
- No

If yes, please explain how.

3.5 Will the transaction adversely affect the safety, reliability, quality of service, operational flexibility or economic efficiency of the applicant or the proposed recipient?

- Yes
- No

If yes, please explain how.

PART IV: WRITTEN CONSENT/JOINT AGREEMENT

- 4.1 Please provide the proposed recipient's written consent to the transfer of the assets by attaching:
- (a) a letter from the proposed recipient consenting to the transfer of the assets;
 - (b) a letter or proposed sale agreement jointly signed by the applicant and the proposed recipient agreeing to the transfer of the assets; or
 - (c) the proposed recipient's signature on the application.

PART V: REQUEST FOR NO HEARING

- 5.1 Does the applicant request that the application be determined by the Board without a hearing? If yes, please provide:
- (a) an explanation as to how no person, other than the applicant or licence holder, will be adversely affected in a material way by the outcome of the proceeding; and
 - (b) the proposed recipient's written consent to dispose of the application without a hearing.

PART VI: OTHER INFORMATION

- 6.1 Please provide the Board with any other information that is relevant to the application. When providing this additional information, please have due regard to the Board's objectives in relation to electricity.

PART VII: CERTIFICATION AND ACKNOWLEDGMENT STATEMENT

- 7.1 Certification and Acknowledgment
 I certify that the information contained in this application and in the documents provided are true and accurate.

Signature of Key Individual	Print Name of Key Individual	Title/Position
	Ruth Greey	Acting Director, Special Projects
	Date	Company
		Hydro One Networks Inc.

(Must be signed by a key individual. A key individual is one that is responsible for executing the following functions for the applicant: matters related to regulatory requirements and conduct, financial matters and technical matters. These key individuals may include the chief executive officer, the chief financial officer, other officers, directors or proprietors.)

ATTACHMENT 1- Letters

Hydro One Networks Inc.
8th Floor, South Tower
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Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5067
Fax: (416) 345-5866
blair.macdonald@HydroOne.com

Blair MacDonald
Senior Advisor
Regulatory Affairs



BY COURIER

July 15, 2009

PowerStream Inc.
161 City View Blvd.
Vaughan ON
L4H 0A9

Attn. Paula Conboy

Re: Purchase of Hydro One Operating Assets

Dear Ms. Conboy:

This letter is to confirm Hydro One Networks Inc.'s ("Hydro One") agreement to sell 2.5 km of single-phase 4.8 kv line currently owned by Hydro One to PowerStream Inc. for \$15,111.89 plus GST, conditional to the OEB's approval. This also confirms that Powerstream Inc. supports Hydro One to proceed with the Section 86(1)(b) application without a hearing.

The assets will be sold, following the OEB's approval, on an "as is, where is" basis, pursuant to Hydro One Networks Inc.'s standard asset purchase and sale agreement. The assets being sold in this transaction are generally described as follows and supported by the attached map:

- The physical location of the proposed assets to be sold are entirely within PowerStream's (the purchaser's) service territory. There is approximately 1.04 km of single phase 4.8 KV line on Albion/Vaughan Townline Road and approximately 1.45 km of single phase 4.8 KV line on King/Vaughan Townline Road in Vaughan.

If you are in agreement with these conditions of sale, please sign and return this letter at your earliest convenience. On receipt of this signed letter of consent and indemnity, we will proceed to obtain formal approval to sell these assets to PowerStream Inc.

Thank you for your assistance in this matter.

Yours truly,

A handwritten signature in black ink, appearing to read "Blair MacDonald", written over a horizontal line.

Blair MacDonald

Acknowledgement

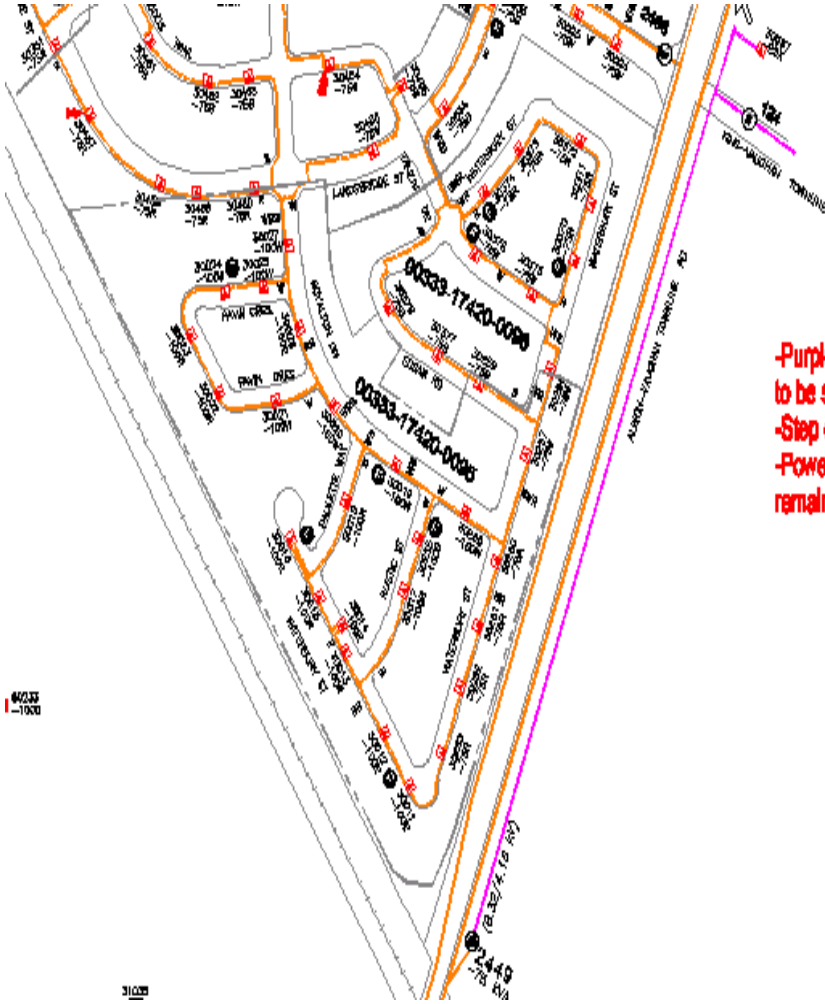
I, Paula Conboy of PowerStream Inc., agree with content, terms and conditions set out in this letter regarding the purchase of 2.5 km of single-phase 4.8 kv line currently owned by Hydro One to PowerStream Inc. for \$\$15,111.89 plus GST and support Hydro One to proceed with the Section 86(1)(b) application without a hearing.

Per: _____

Paula Conboy
VP – Regulatory and Government Affairs
PowerStream Inc.

I have authority to bind the Corporation.

ATTACHMENT 2- Map



- Purple coloured line on Albion-Vaughan Twin to be sold to Powerstream
- Step down transformer #2448 to be removed
- Powerstream to apply for Joint Use permit to remain on Hydro One poles on Albion-Vaughan Twin

4023
180

3100