

Hydro One Networks Inc.

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Greg Van Dusen

Director - Distribution Applications
Regulatory Affairs

April 20, 2010

BY COURIER

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

Dear Ms. Walli:

**Hydro One Networks' Request for Leave to Sell Distribution Assets to Bluewater Power
Distribution Corporation**

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 Bluewater Power Distribution Corporation ("Bluewater Power Distribution"). Given that the proposed sale has no material effect on any other party, we ask that the Board dispose of this proceeding without a hearing under Section 21(4)(b) of *the Act*.

The assets being sold in this transaction are described in the attached application and are illustrated in the attached map.

Should you have any questions on this application, please contact Yoon Kim at (416) 345-5228 or via email at Yoon.Kim@HydroOne.com.

Sincerely,

ORIGINAL SIGNED BY GREG VAN DUSEN

Greg Van Dusen

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	<u>Name of Applicant</u> Legal name of the applicant: Name of Primary Contact: Title/Position: Address of Head Office: Phone, Fax, Email:	Hydro One Networks Inc. Yoon Kim Applications Analyst, Regulatory Affairs 483 Bay Street, 8th Floor, South Tower, Toronto, ON, M5G 2P5 416-345-5228, 416-345-5866, Yoon.Kim@HydroOne.com
1.2	<u>Other Party to the Transaction</u> (If more than one attach a list) Name of other party: Name of Primary Contact: Title/Position: Address of Head Office: Phone, Fax, Email:	Bluewater Power Distribution Corporation Brad Gray VP of Operations 855 Confederation Street, Sarnia, ON, N7T 7L6 519-344-9941 (ext. 219), 519-332-3878, bgray@bluewaterpower.com

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 asset sale consists of the 27.6kV PET-4 switch and the associated pole on the Wanstead TS 41M4 feeder.**

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 switch and pole are located in Bluewater Power Distribution Corporation's ("Bluewater Power Distribution") licensed service area, on Glenview Road in the Town of Petrolia – 7th pole from the corner of Dufferin Ave. heading south on Glenview Road (immediately in front of Englehart Park).**
- **See Attachment 2 – Map**

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.

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.

- **Upon purchase, these assets will be integrated into Bluewater Power Distribution's system to better supply its customers. Safety and reliability will be maintained, and operational flexibility can be improved.**

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

- **Bluewater Power Distribution's customers.**

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

- **Bluewater Power Distribution's customers.**

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 sale price is \$1,000.⁰⁰ plus applicable taxes. The sale price covers the net book value of the assets.**

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 letter from the proposed recipient consenting to the transfer of the assets;
- a letter or proposed sale agreement jointly signed by the applicant and the proposed recipient agreeing to the transfer of the assets; or
- the proposed recipient's signature on the application.

(a) **The letter is found in Attachment 1.**

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.

(a) The proposed sale of the 27.6kV PET-4 switch and associated pole is located entirely within the purchaser's service territory. Also, it has no material effect on any party other than the purchaser and the seller.

(b) The letter is found in Attachment 1.

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
	Greg Van Dusen	Director – Distribution Applications
	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- Letter

April 1st, 2010

Bluewater Power Distribution Corporation
P.O. Box 2140
855 Confederation Street
Sarnia, Ontario N7T 7L6

Attention: Mr. Brad Gray
VP of Operations

Subject: Purchase of PET-4

Dear Brad

This letter is to confirm Hydro One Networks Inc.'s ("Hydro One") agreement to sell the PET-4 27.6kV switch and associated pole to Bluewater Power Distribution Corporation for one thousand dollars (\$1,000.00) plus applicable taxes, conditional to the Ontario Energy Board's (O.E.B) approval. This also confirms that Bluewater Power Distribution Corporation supports Hydro One to proceed with the Section 86(1) (b) application without a hearing.

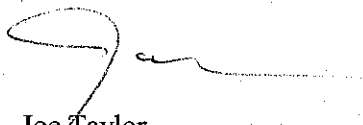
The assets will be sold, following the OEB's approval, on an "as is, where is" basis, pursuant to Hydro One Networks Inc.'s standard asset purchase and sale agreement. The assets being sold in this transaction are generally described as follows:

- The 27.6 kV switch PET-4 and it's associate pole, located on Glenview Road in the Town of Petrolia - 7th pole from the corner of Dufferin Ave. heading south on Glenview Road (immediately in front of Englehart Park)

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 Bluewater Power Distribution Corporation.

Thank you for your assistance in this matter.

Yours truly,



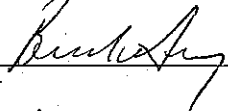
Joe Taylor
Sr. Account Executive

Acknowledgement

Hydro One Networks Inc.
125 Irwin Avenue
Essex, ON, N8M 2T3
Customer Business Relations
Tel: 519-977-4265, Fax: 519-776-6176



I, Brad Gray, Bluewater Power Distribution Corporation, agree with content, terms and conditions set out in this letter regarding the purchase of the 27.6kV switch PET-4 and the associated pole, for the sum of \$1,000.00 plus applicable taxes and support Hydro One to proceed with the Section 86(1)(b) application without a hearing.

Per: 
Brad Gray
VP of Operations
Bluewater Power Distribution Corporation

I have authority to bind the Corporation.

ATTACHMENT 2- Map

Location of Assets

