

**Hydro One Networks Inc.**

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

Tel: (416) 345-5707  
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Andrew.skalski@HydroOne.com

**Andrew Skalski**

Director – Major Projects and Partnerships  
Regulatory Affairs



BY COURIER

October 18, 2010

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. ("PowerStream"). 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 ANDREW SKALSKI

Andrew Skalski

Attach.



## 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  
27<sup>th</sup> 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](mailto: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](http://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:	<b>Hydro One Networks Inc.</b> <b>Yoon Kim</b> <b>Applications Analyst, Regulatory Affairs</b> <b>483 Bay Street, 8th Floor, South Tower, Toronto, ON, M5G 2P5</b> <b>416-345-5228, 416-345-5866, Yoon.Kim@HydroOne.com</b>
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:	<b>PowerStream Inc.</b> <b>Mark Henderson</b> <b>EVP Asset Management &amp; Chief Operating Officer</b> <b>161 City View Boulevard, Vaughan, ON, L4H 0A9</b> <b>905-532-4609, 905-532-4616,</b>
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 a section of the Bradford 44 kV feeder comprised of approximately 4.5 km of a three phase 44 kV circuit, 3.5 km of a three phase circuit of 8.32 kV under-build which has recently become idle due to reconfiguration of supply arrangement from Armitage TS, neutral conductor, associated hardware and 65 poles currently owned by Hydro One Networks Inc. ("Hydro One") to PowerStream Inc. ("PowerStream").**

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 locations of the proposed assets to be sold are entirely within PowerStream's service territory in Township of West Gwillimbury. (Please 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 PowerStream'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.

**PowerStream's customers**

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**

## 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 of \$308,000 plus applicable taxes represents a negotiated commercial value for the section of the Bradford 44 kV feeder. This value is above book value and includes future revenue. This sale price ensures that both buyer's and seller's rate payers are kept whole. Therefore there are no rate impacts.**

- 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.

**Bell Canada, Rogers, and Atria Networks are currently joint use occupants on the poles and are paying joint use to Hydro One. After the sale of the assets the occupants will pay joint use to PowerStream. The sale has no other material effect on any third party other than the purchaser and seller.**

- 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.

**(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 section of the Bradford 44 kV feeder involves line sections which are entirely within the purchaser's service territory and the sale has no material effect on any third 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

ORIGINAL SIGNED BY ANDREW SKALSKI

Print Name of Key Individual

**Andrew Skalski**

Title/Position

**Director – Major Projects and Partnerships**

Date

October 20, 2010

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**

Hydro One Networks Inc.  
483 Bay Street, North Tower, 14<sup>th</sup> Floor  
Toronto, Ontario M5G 2P5  
www.HydroOne.com

Tel: (416) 345-5455  
Fax: (416) 345-5977  
[derek.reynolds@hydroone.com](mailto:derek.reynolds@hydroone.com)



Derek Reynolds  
Account Executive  
Customer Business Relations

Aug 17<sup>th</sup>, 2010

Mr. Mark Henderson  
EVP Asset Management & Chief Operating Officer  
PowerStream Inc.  
161 Cityview Blvd  
Vaughan, ON L4H 0A9

**Re: Bradford 44kV Feeder Section**

Dear Mr. Henderson,

This letter is to confirm Hydro One Networks Inc.'s ("Hydro One") agreement to sell a section of the Bradford 44kV feeder comprised of about approximately 4.5 km of three phase circuit and 3.5 km of a three phase circuit of 8.32 kV idle under-build including 65 poles currently owned by Hydro One to PowerStream Inc. ("Powerstream") for \$308,000.00 plus applicable taxes, conditional on the Ontario Energy Board's ("OEB") approval. We also confirm that PowerStream supports Hydro One in proceeding with the Section 86(1)(b) application under the *Ontario Energy Board Act, 1998*, without a hearing.

The assets will be sold, following the OEB's approval, on an "as is, where is" basis, pursuant to Hydro One'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:

- A section of the Bradford 44 kV feeder comprised of approximately 4.5 km of a three phase 44kV circuit and 3.5 km of a three phase circuit of 8.32 kV idle under-build including neutral conductor, associated hardware, and 65 poles. The Bradford 44 kV feed is located in West Gwillimbury township, and is currently fed off of Holland TS (formerly Armitage TS), switch #89-1 in Bradford, Ontario.
- These assets are located in the following areas (distance is approximate):
  - 6<sup>th</sup> Line/Concession Road 6 - 1 pole (0.122km)
  - Walkers Avenue - 19 poles (0.833km)
  - Simcoe Road - 3 poles (0.132km)
  - Plus 3 poles just east of Simcoe Rd (0.61km)
  - William Street - 1 pole (0.05km)
  - Edward Street - 8 poles (0.325km)
  - Plus 6 poles north of Edward Street up to Holland Street East (0.315km)
  - Holland Street East - 6 poles (0.213km)
  - Bridge Street - 18 poles (0.914km)



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 "Derek Reynolds".

Derek Reynolds  
Account Executive

Acknowledgement:

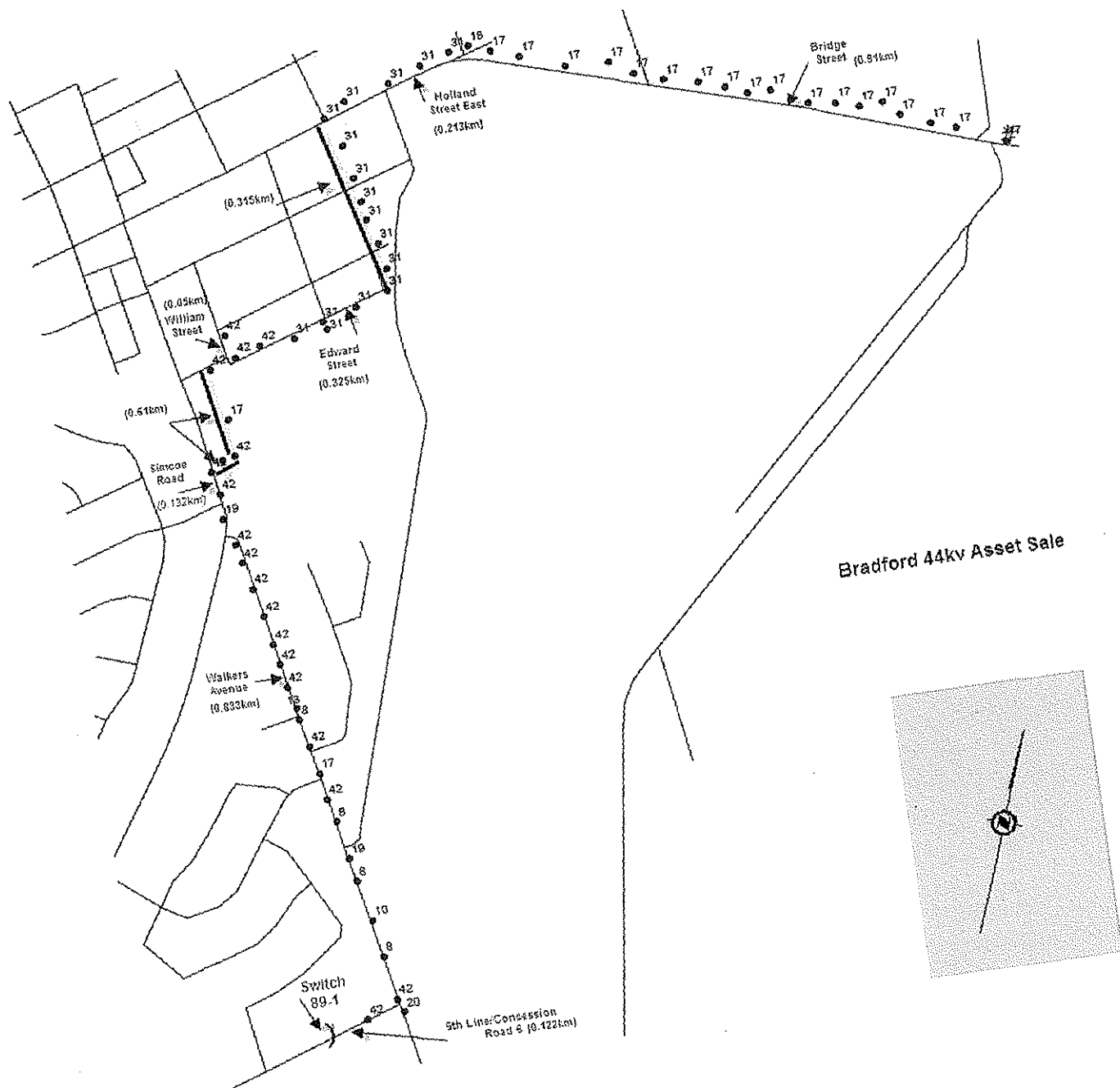
PowerStream Inc. hereby agrees with content, terms and conditions set out in this letter regarding the purchase of a section of the Bradford 44 kV feeder comprised of about approximately 4.5 km of a three phase circuit and 3.5 km of a three phase circuit of 8.32 kV idle under-build including 65 poles currently owned by Hydro One to PowerStream Inc. for \$308,000.00 plus applicable taxes and supports Hydro One to proceed with the Section 86(1)(b) application without a hearing.

Per: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Mark Henderson".

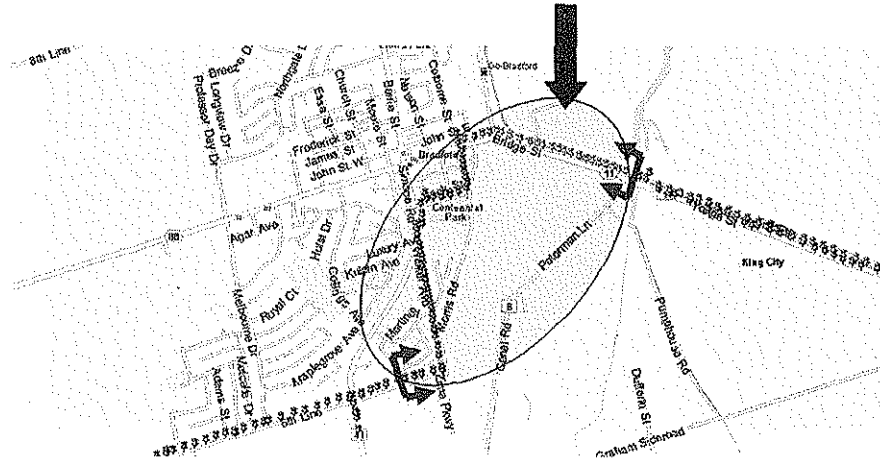
Mark Henderson  
EVP, Asset Management & Chief Operating Officer  
POWERSTREAM INC.  
I have authority to bind the Corporation.

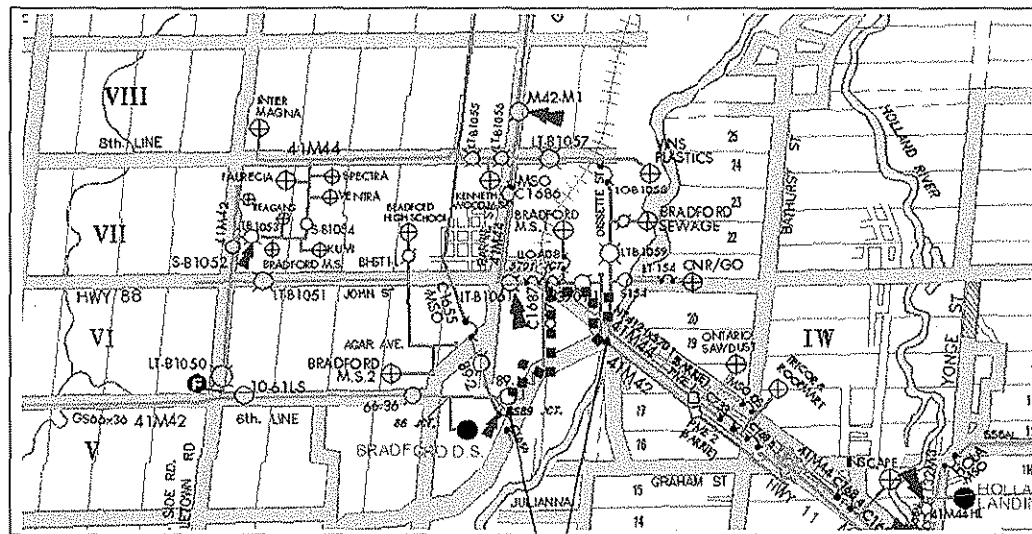




## Bradford 44kV Asset Sale

Location of Assets



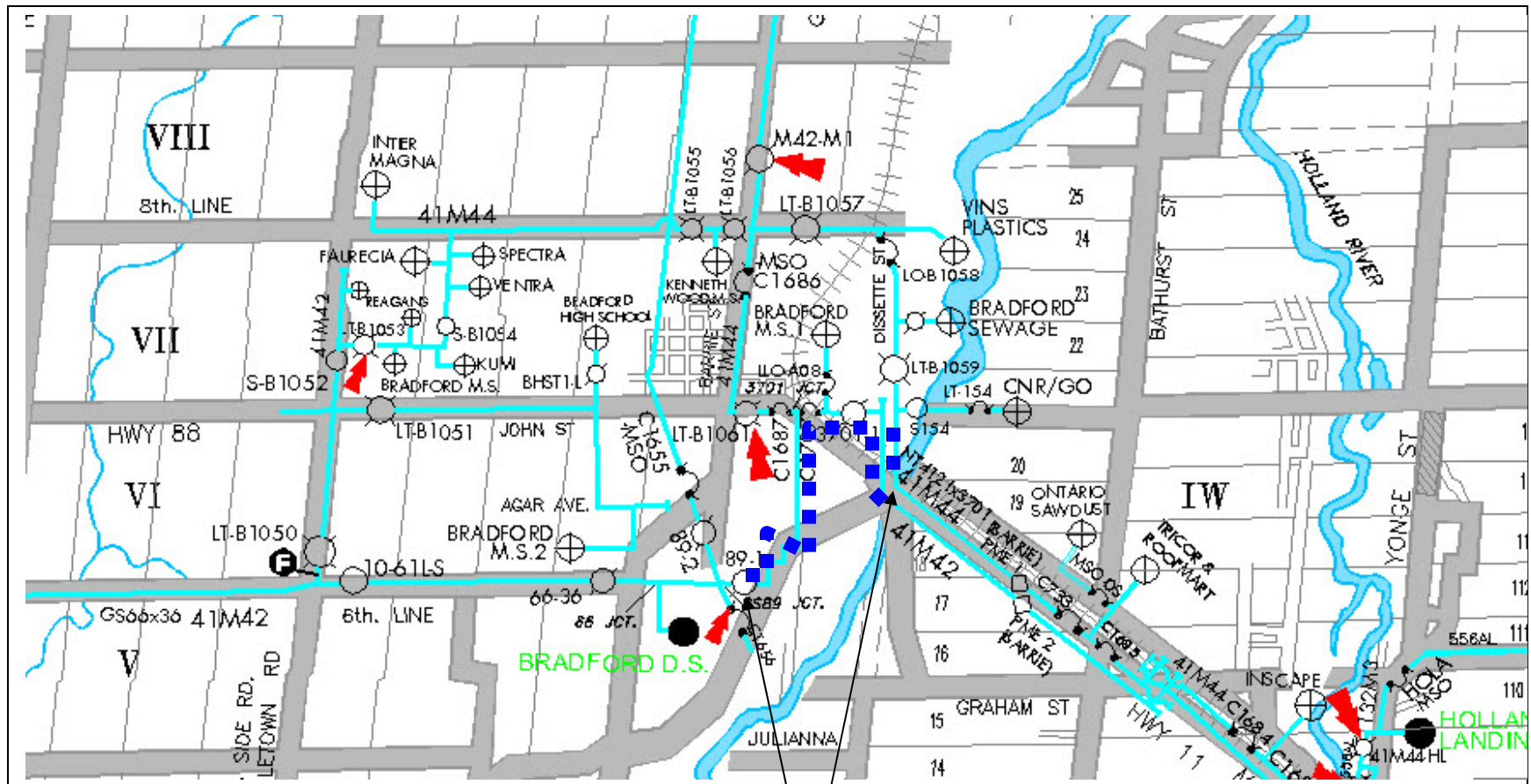


Poles and conductors between switch 89-1 and Holland River

SYMBOL	DESCRIPTION
—	44 kV
—	66 kV-PRIVATE
—	150 kV
—	230 kV
⊙	FAULT DETECTOR
⊙	REARVIEW
⊙	LOADBREAK SW
⊙	ARE BREAK SWITCH
⊙	VALVE SWITCH
⊙	OPENERS 2 SIZES
⊙	OPENERS 1 SIZE
⊙	REGULATOR
⊙	PRIMARY METERING EQUIPMENT
⊙	ELECTRONIC ENCLOSURE
⊙	OPEN POINT
⊙	DISTRIBUTION STATION

**BRADFORD 44 kV Feeder**

## **ATTACHMENT 2- Map**



Poles and conductors between switch 89-1 and Holland River

44 kV LEGEND	
SYMBOL	DESCRIPTION
	44 kV
	44 kV-PRIVATE
	230 kV
	500 kV
	FAULT DETECTOR
	ARRESTERS
	LOADBREAK SW
	AIR BREAK SWITCH
	INLINE SWITCH
	OPENERS 2 SIDES
	OPENERS 1 SIDE
	BREAKER
	PRIMARY METERING EQUIPMENT
	ELECTRONIC RECLOSER
	OPEN POINT
	DISTRIBUTION STATION

**BRADFORD 44 kV Feeder**