

Hydro One Networks Inc.

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Allan Cowan

Director - Applications
Regulatory Affairs



BY COURIER

January 16, 2008

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 Norfolk Power Inc. –
Revised Part V**

I am attaching a corrected page showing a revision to Part V to alter the phrase "with a hearing" to "without a hearing". Should you have any questions, please contact Joanne Richardson at (416) 345-5393.

Sincerely,

ORIGINAL SIGNED BY ALLAN COWAN

Allan Cowan

c. Ms. J. Doherty, Ontario Energy Board
Mr. Brad Randall, Norfolk Power Inc.

Attach.

Ontario Energy Board

**Preliminary Filing Requirements
for Applications Under Section 86(1)(b)
of the *Ontario Energy Board Act, 1998***

INSTRUCTIONS:

The Ontario Energy Board (the "Board") has established this form under section 13 of the *Ontario Energy Board Act, 1998* (the "Act") and requires that a proceeding under section 86(1)(b) 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.

All applicants must complete and file the information requested in this form.

For applications involving leasing arrangements, the "Preliminary Filing Requirements for Applications Under Section 86 of the *Ontario Energy Board Act, 1998*", form is required. For transactions involving a non-licensed entity, please contact Market Operations at market.operations@oeb.gov.on.ca for further guidance.

PART I: IDENTIFICATION OF THE PARTIES

1.1 Applicant

Name of Applicant Hydro One Networks Inc	File No: (Board Use Only)	
Address of Head Office 483 Bay St. Toronto TCT08 M5G 2P5	Telephone Number 416 345-5393	
	Facsimile Number 416 345-5866	
	E-mail Address Joanne.Richardson@hydroone.com	
Name of Individual to Contact Joanne Richardson Senior Regulatory Advisor	Telephone Number Same as above	
	Facsimile Number Same as above	
	E-mail Address Same as above	

1.2 Other Parties to the Transaction

If more than one attach list

Name of Other Party Norfolk Power Distribution Inc.	File No: (Board Use Only)	
Address of Head Office P.O. Box 588 70 Victoria St. Simcoe, Ontario N3Y 4N6	Telephone Number 519-426-4440	
	Facsimile Number 519-426-9205	
	E-mail Address	
Name of Individual to Contact Bruno Ciccotelli	Telephone Number 519-426-4440 (Ext 2239)	
	Facsimile Number 519-426-9205	
	E-mail Address bciccotelli@norfolkpower.on.ca	

1.2.1	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?	
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PART II: DESCRIPTION OF THE ASSETS TO BE TRANSFERRED

2.1	Please attach a description of the assets that are the subject of the proposed transaction. 1. All Hydro One plant along the Blueline Road between Concession 13 and Hwy 6. Norfolk Power will own all plant from the first pole south of Concession 13. See Appendix 2 2. One circuit of Hydro One's double circuit Norfolk TS M6 located on Concession 13 Townsend. The circuit is tied to the 22 M6 and runs from a dead end pole located two spans from Norfolk TS to the Blue Line Rd; HO will retain the poles. Norfolk Power will own the conductors along Concession 6 and that portion that is on the Blueline Rd. that is connected to the first pole south of Concession 13. See Appendix 2	
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	3. All Hydro Plant west of the Blueline Rd along Concession 6 to the boundary of the Town of Simcoe 4. All Hydro One's 27.6 kV plant on Concession 6 east of the Blueline Rd to the Norfolk Power –Haldimand Hydro service boundary. The demarcation point between these two Utilities will be the PME pole See Appendix 3 5. All Hydro One plant west of the Blueline Rd along Hwy 6 and Hwy 24 South within Norfolk Power's service boundary but excluding Hydro One assets on Hillcrest Rd South between United Church Road north to St Johns Road. See Appendix 4	
2.2	Please indicate where the assets are located – whether in the applicant's service territory or in the proposed recipient's service territory (if applicable). Please include a map of the location. • The proposed 57M3, 57M4 and 22M6 sale is located entirely within the purchaser's service territory and it has no material effect on any other party other than the purchaser and seller, Part of the 57M4 is currently used by Norfolk Power. The sale would establish the pole and conductor ownership in the Norfolk Power service territory and would allow Norfolk to upgrade the circuit for the customers in this area. See Appendix 1	
2.3	Are the assets surplus to the applicant's needs? If yes, indicate why, and since when. Yes. These facilities are not used to supply Hydro One customers and are a legacy carry over matter from county restructuring and annexation days years past. As the asset owner Hydro One Distribution currently has responsibilities for maintaining and operating the facilities. An internal Hydro One business case has been approved in accordance with policies to sell the assets	
2.4	Are the assets useful to the proposed recipient or any other party in serving the public? If yes, indicate why. • Upon purchase, Norfolk Power will integrate these feeders by reconnecting them with their existing feeders to better supply their customers and accommodate future expansion due to customer growth. • Safety and reliability will be maintained. • Operational flexibility will be improved	

2.5	Which utility's customers are currently served by the assets? The facilities provide backup capabilities for both Hydro One and Norfolk Power. Norfolk Power has been using a part of the 57M4	
2.6	Which utility's customers will be served by the assets after the transaction and into the foreseeable future? Norfolk Power Distribution Inc.	

PART III: DESCRIPTION OF THE PROPOSED TRANSACTION

3.1	Will the proposed transaction be a sale, lease or other (please specify)? The plant will be sold to Norfolk Power distribution Inc	
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. The feeder sale price of \$475,000 represents the negotiated commercial value of the 57M3, 57M4 and 22M6 feeders 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? If yes, how? No impact on other parties	
3.4	Would the proposed transfer impact distribution or transmission rates of the applicant? If yes, how? The sale price of \$475,000 represents the negotiated value of the this plant. Portions are covered by the Joint Use Agreement. This sale price ensures that both buyer's and seller's rate payers are kept whole. Therefore there are no rate impacts mainly due to the very small dollar value of this transaction on either party's system	
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? The transaction will not adversely affect the operations of the Hydro One system; however it will provide improved reliability and , operational flexibility	

PART IV: WRITTEN CONSENT/JOINT AGREEMENT

Both parties, Hydro One Networks Inc. and Norfolk Power Inc., agree to all the statements made in this application.

Allan Cowan
Allan Cowan, Director Applications
Hydro One Networks Inc.

Dated: January 16, 2008

Brad Randall
Brad Randall, President & CEO
Norfolk Power Inc.

Jan 16/2008

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 and the proposed recipient, will be adversely affected in a material way by the outcome of the proceeding AND (b) the proposed recipient's written consent to the disposal of the application without a hearing. The proposed 57M3, 57M4 and 22M6 sale is located entirely within the purchaser's service territory and it has no material effect on any other party other than the purchaser and seller we ask the Board to dispose of this proceeding without a hearing under Section 21(4)(b) of the Act. The signature on this application acknowledges agreement with all material in application including obtaining approval of the application without a hearing. Signed: <u>Brad Randall</u> Brad Randall, President and CEO Norfolk Power
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PART VI: OTHER INFORMATION

It is the sole responsibility of the Applicant to provide all information that is relevant and that would assist the Board in making a determination in this matter. Failure to provide key information may result in a delay in the processing of the application or in the denial of the application.

How to Contact the Ontario Energy Board:

The Ontario Energy Board is located at:

P.O. Box 2319
2300 Yonge Street, Suite 2701
Toronto, Ontario
M4P 1E4

Telephone:

416-481-1967

Toll Free Number:

1-888-632-6273

Fax:

416-440-7656

Website:

<http://www.oeb.gov.on.ca>

Board Secretary's e-mail address:

boardsec@oeb.gov.on.ca

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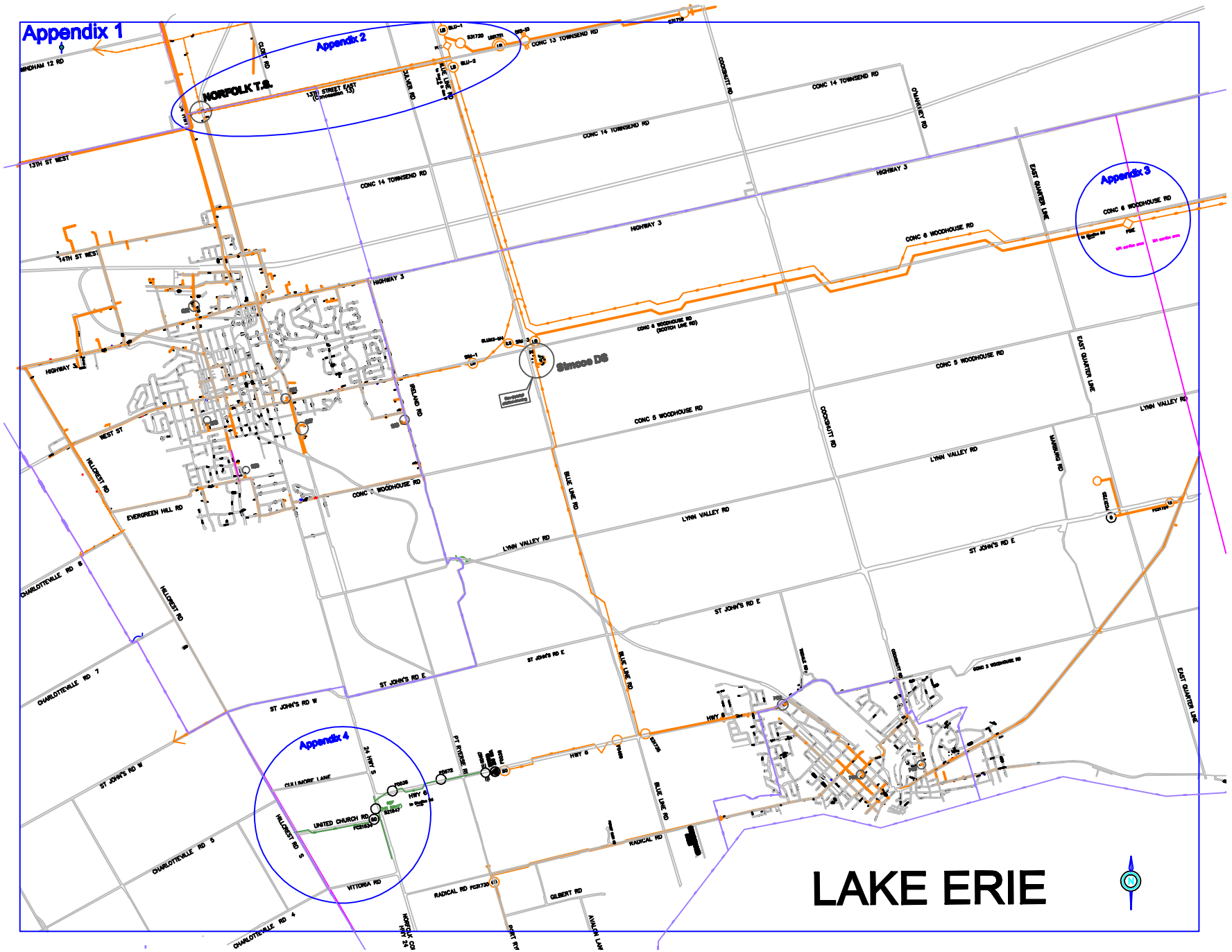
Appendix 1

Appendix 2

Appendix 3

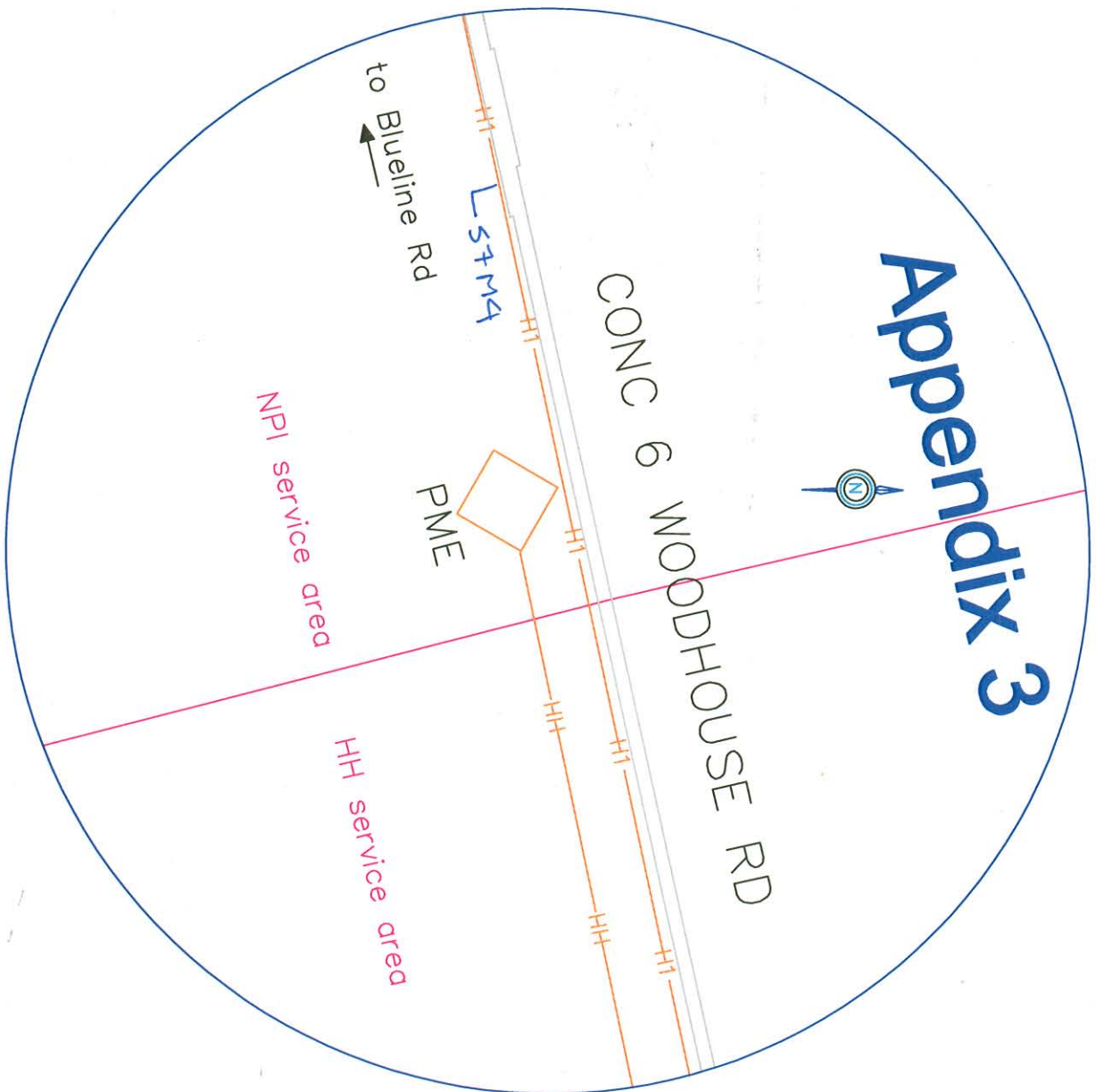
Appendix 4

LAKE ERIE





Appendix 3



Appendix 4

