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Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs



BY COURIER

October 2, 2007

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

Dear Ms. Kirsten,

Application Respecting Long Term Load Transfer between Hydro One Networks Inc. and Newmarket Tay Power Distribution Ltd.

Please find attached a joint application to address the Long Term Load Transfer between Hydro One Networks Inc. and Newmarket Tay Power Distribution Ltd.

This application would result in the elimination 54 Long Term Load Transfers (LTLT) customers existing in proximity to service area boundaries between Hydro One Networks Inc (Hydro One Networks) and Newmarket Tay Power Distribution Ltd (NT Power). This application proposes the transfer of 44 (of the 54 total) LTLT customers and associated facilities from Hydro One to NT Power. This application also seeks 2 interim exemptions thereby allowing the balance of 10 LTLT customers to remain as such for a period of up to 5 years. Specifically, NT Power seeks an exemption for 8 LTLT customers served by Hydro One Networks and Hydro One Networks seeks an exemption for 2 LTLT customers served by NT Power.

Hydro One has been working with OEB staff to address a number of issues surrounding the resolution of Long Term Load Transfers (LTLT) as directed by the OEB in its Distribution System Code amendments contained in EB-2007-0005, dated March 12, 2007. We understand that the LTLT issues, identified by Hydro One and Newmarket Tay Power Distribution in a joint meeting with OEB Staff on August 1, 2007, may need to be directed to Board Members for consideration. Two of the more critical issues surround Format of Application and Notice.

With respect to format, this is a combined application amalgamating and streamlining the elements of a Service Area Amendment and a Section 86b1 application for LTLT and associated exemption purposes only; Hydro One undertook to develop such a combined application as a result of a meeting with OEB Staff on August 1, 2007. Hydro One is proceeding with this application with the assumption that the format hereunder is acceptable to the OEB.

Further, Hydro One assumes that prior consultation with customers is not required and that Notice, such as may be required, will be at the subsequent direction of the OEB.

Hydro One expects to submit additional applications in the weeks ahead, including applications that potentially involve adverse impacts for some customers.

Sincerely,

ORIGINAL SIGNED BY SUSAN FRANK

Susan Frank

Elimination of Long Term Load Transfers

Between

Hydro One Networks Inc.

And

Newmarket Tay Power Distribution Ltd

(formerly and severally Newmarket Hydro Inc. and Tay Hydro Inc.)

Combined Service Area Amendment and Asset Transfer Application

October 2, 2007

Part A: Service Area Amendment and Exemptions

1.1 Basic Facts

This application addresses the elimination of a total of 54 Long Term Load Transfers (LTLT) customers existing in proximity to service area boundaries between Hydro One Networks Inc (Hydro One Networks) and Newmarket Tay Power Distribution Ltd (NT Power). This application proposes the transfer of 44 LTLT customers and associated facilities from Hydro One to NT Power. This application also seeks 2 interim exemptions thereby allowing the balance 10 LTLT customers to remain as such for a period of up to 5 years. Specifically, NT Power seeks an exemption for 8 LTLT customers served by Hydro One Networks and Hydro One Networks seeks an exemption for 2 LTLT customers served by NT Power.

This is a combined application amalgamating and streamlining the elements of a Service Area Amendment and a Section 86b1 application for LTLT and associated exemption purposes only.

Note that during the formulation of this application, NT Power was formed from the previous entities of Newmarket Hydro Ltd. and Tay Hydro Electric Distribution Company Inc. For clarity, reference is made to the service areas of these former entities.

1.1.1 General

(a) Co-Applicant

Hydro One Networks Inc. ED – 2003 – 0043 (“Hydro One Networks”)	
8 TH Floor, South Tower 483 Bay Street Toronto, ON M5G 2P5	Contact Person – Paul Malozewski
	Telephone Number – 416-345 - 5005
	Fax Number – 416-345-5866
	E-mail Address – paul.malozewski@hydroone.com

(b) Co-Applicant

Newmarket – Tay Power Distribution Ltd. –ED – 2007 - 0624 (“NT Power”)	
590 Steven Court Newmarket, ON L3Y 6Z2	Contact Person – Paul Ferguson
	Telephone Number – 905-953-8548 x2240
	Fax Number – 905-895-8931
	E-mail Address – pdf@nmhydro.on.ca

(c) Alternate Distributor and Other Parties to the Transaction – None

1.1.2 Service Area Amendment

Indicate the reasons why this amendment should occur and identify any load transfers eliminated by the proposed SAA:

This application addresses the elimination of a total of 54 Long Term Load Transfers (LTLT) customers existing in proximity to service area boundaries between Hydro One Networks Inc (Hydro One Networks) and Newmarket Tay Power Distribution Ltd (NT Power). This application proposes the transfer of 44 LTLT customers and associated facilities from Hydro One to NT Power. This application also seeks 2 interim exemptions thereby allowing the balance 10 LTLT customers to remain as such for a period of up to X years. Specifically, Hydro One Networks seeks an exemption for 8 LTLT customers served by NT Power and NT Power seeks an exemption for 2 LTLT customers served by Hydro One Networks.

This application is consistent with the Board's Amendments to the Distribution System Code, Board File No. – "EB-2007-0005 – Timing for the Elimination of Load Transfers" issued March 12, 2007.

Historical Context

In 1976 Newmarket Hydro acquired the east side of Bathurst Street through expansion of their service territory purchasing all the power lines (poles, conductors) from the old Ontario Hydro leaving Hydro One Networks' with no main feeder lines on Bathurst Street to feed their customers, therefore, Long Term Load Transfers ("LTLT") were set up.

In 1991, Tay Hydro expanded its service area, combining the former villages of Port McNicoll, Victoria Harbour and Waubaushene, and the area of Tay Township generally from Georgian Bay south to Highway 12. As part of the expansion, LTLTs were established.

1.1.3 Description of Proposed Service Area

Provide a detailed description of the lands that are the subject of the SAA application. For SAA applications dealing with individual customers, the description of the lands should include the lot number, the concession number, and the municipal address of the lands. The address should include the street number, municipality and/or county, and postal code of the lands. For SAA applications dealing with general expansion areas, the description of the lands should include the lot number and the concession number of the lands, if available, as well as a clear description of the boundaries of the area (including relevant geographical and geophysical features).

- Individual customer addresses found in Section 1.1.1(d)
- Detailed information of all LTLTs are found in Section 1.1.4

Hydro One Networks' LTLT to be transferred to NT Power and associated exemptions:

- Hydro One Networks' LTLT customers to be transferred to NT Power are located on the west side of Bathurst Street, just south of Davis Drive to the south side of Miller Sideroad. Presently, the service area territory for NT Power is the east side of Bathurst Street, therefore NT Power will expand to include both sides of the street.
- The new service area territory for Green Lane will be Hydro One on the north side and NT Power on the south side with the exception of one lot at the south east corner of Yonge Street and Green Lane

Elimination of Long Term Load Transfers – Hydro One Networks – Newmarket Tay Power Distribution

which will remain with Hydro One.

- Hydro One is asking for an exemption respecting two LTLT customers on the north side of Green Lane in the Town of East Gwillimbury due to future load growth. The customer on 1150 Green Lane east of RR Tracks and the customer on 262 Green Lane between Bathurst and Yonge Street are in Hydro One Networks' service territory and are currently being fed by NT Power. These customers will continue being supplied by NT Power until 2009 when the 44000 Volts feeders will be built on the north side of Green Lane from the new Holland Junction Transformer Station to Leslie Street relieving load from Armitage TS. Existing Hydro One Networks' assets are on the north side of Green Lane in the Town of East Gwillimbury, hence providing economic growth for Hydro One Networks'. The area on the north side of Green Lane has been zoned as residential and commercial subdivision by the Town of East Gwillimbury and phase 1 is under development.
- The west side of Leslie Street, south of Green Lane will become NT Power with the east side remaining with Hydro One. Hydro One has no main line feeders on the west side therefore it should move to NT Power's existing feeders.
- Two additional Hydro One Networks LTLT customers, currently served by NT Power (Tay Hydro Service Area) to be transferred to NT Power are located on Pine Street and Sandhill Road south of Waubashene

NT Power LTLTs (Tay Hydro Service Area) Exemption

- Tay Hydro's eight LTLT customers located on the north side of Highway 12 between Trestle Road and Vents Beach Road are being fed by Hydro One Networks. NT Power is asking for an exemption for these customers. They will continue to be supplied by Hydro One Networks until 2009 when a 44,000 volt feeder will be built on the north side of Highway 12 to supply new load in Port McNicoll from the Waubashene M6 feeder.

Detailed Current and Proposed Service Area Descriptions

Subsequent to the Board granting leave for the merger of Newmarket Hydro Ltd and Tay Hydro Electric Distribution Company Inc., the contemplated transaction was completed on May 1, 2007. The successor entity, NT Power made application to the Board (EB – 2007 – 0624) to cancel the licences of Newmarket Hydro Ltd (ED – 2002 – 0553) and Tay Hydro Electric Distribution Company Inc. (ED – 2002 – 0519) and issue a new licence for the combined service area. On August 24, 2007 the Board issued a new licence, ED – 2007 – 0624 to NT Power.

The Newmarket service area is described in Licence ED – 2007 – 0624 as:

- The Town of Newmarket as of January 1, 1979;
- Part of the Town of East Gwillimbury, extending from Bathurst Street in the west, to Leslie Street in the east, from the northern boundary of the Town of Newmarket in the south, to the south side of Green Lane in the north, with the following exception:
 - the area of land, being composed of Part of Lot 100, Concession 1, East of Yonge Street, more particularly described as Parts 1–13 on Reference Plan 65R-22350, also known as the Silver City Plaza;
 - the area of land at the southwest corner of Leslie Street and Green Lane where consumers are serviced by Hydro One Networks under load transfer arrangements at the date of issuance of this licence.

The Newmarket lands that are subject to this application include:

Elimination of Long Term Load Transfers – Hydro One Networks – Newmarket Tay Power Distribution

- Part of the Township of King extending from the southern boundary of Lot 34 Concession 2 in the south, to Miller Sideroad in the north, west of Bathurst Street comprised of the areas of land described as:
 - 450 meters of Lot 34 Concession 2 west of Bathurst Street
 - 150 meters of Lot 35 and the southern half of Lot 1 Concession 2 west of Bathurst Street
 - 450 meters of the northern half of Lot 1 Concession 2 west of Bathurst Street
 - 450 meters of Lots 2, 3, 4, and 5 Concession 2 west of Bathurst Street
- the area of land at the southwest corner of Leslie Street and Green Lane where consumers are serviced by Hydro One Networks under load transfer arrangements.

The Tay service area is described in Licence ED – 2007 – 0624 as:

- The former urban areas of Port McNicoll including Paradise Point, Victoria Harbour and Waubaushene. All located within the Township of Tay. Effective June 1, 1999 the service area partially expanded commencing shoulder to shoulder with Midland P.U.C. at the Wye River. The adjacent geographic area south of Highway 12 and all geographic area north of Highway 12 from the Wye River easterly to County Road 58 (Old Fort Road). Thence south on County Road 58, incorporating services east and west of County Road 58, to the existing open point just north of Elliott's Corner. Highway 12 forms a natural electrical boundary just east of County Road 58 for the expanded area and for all geographic area north of Highway 12 to the Commission's existing easterly boundary in Waubaushene. Easterly from County Road 58 encompassing all adjacent distribution system south of Highway 12 which incorporates natural open points and easterly to the end of Trestle Road. Thence northerly crossing over Highway 12 to the west end of Mitchell's Beach and continuing easterly north of Highway 12 to the existing electrical boundary at the west end of the former Village of Victoria Harbour. The expanded area shall then continue from the easterly existing Victoria Harbour boundary located just south of Highway 12 along the southerly side of Highway 12 to Rosemount Road. South on Rosemount Road to the end of the existing line incorporating services east and west of Rosemount Road. The boundary will continue just south of Highway 12 to the most easterly existing boundary of Waubaushene and incorporate the distribution system at the entrance of Sandhill Road off Highway 12 and easterly to Pine Street.

The restated Tay service area, in accordance with the description requirements of SSA applications and including the lands that are subject to this application is:

- The area of Tay Township extending from the Wye River in the west to Waubaushene Channel in the east, from Georgian Bay in the north to Highway 12 in the south and including Methodist Island.
- Those portions of Tay Township south of Highway 12 described as the area of all lots as they exist at the time of issuance of this Licence:
 - fronting on Highway 12 from the Wye River easterly to the east end of Trestle Road at Highway 12
 - fronting on County Road 58 southerly to the southern lot line of Part Lot 11 Concession 4.
 - on the south side of Trestle Road and fronting on Rumney Road from Highway 12 southerly to the southern lot line of Part Lot 12, Concession 4.
 - fronting on Highway 12 easterly from Vents Beach Road to Sandhill Road including all lots fronting on Frazer Lane.

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- fronting on Rosemount Road from Highway 12 southerly to the southern lot line of Part Lot 4, Concession 9 and including all lots fronting on Beckett's Side Road to Gratrix Road and all lots fronting on Connors Court.
- fronting on Sandhill Road and Highway 12 south to the junction of Highway 12 and the Highway 400 south on ramp.

1.1.4 Provide maps/diagrams of the area that is the subject of the SAA application

(a)	Borders of the applicant's service area	See Attached Maps
(b)	Borders of the incumbent distributor's service area	
(c)	Borders of any alternate distributor's service area	
(d)	Territory surrounding the area for which the applicant is making SAA application	
(e)	Geographical and geophysical features of the area including, rivers and lakes, property borders, roads, and major public facilities	
(f)	Existing facilities supplying the area that is the subject of the SAA application, if applicable, as well as the proposed facilities which will be utilized by the applicant to supply the area that is the subject of the SAA application (Note: if the proposed facilities will be utilized to also provide for expansion of load in the area that is the subject of the SAA application, identify that as well).	

1.1.5 Distribution Infrastructure In and Around the Proposed Amendment Area

1.2 Efficient Rationalization of the Distribution System

The proposed SAA will be evaluated in terms of rational and efficient service area realignment. This evaluation will be undertaken from the perspective of economic (cost) efficiency as well as engineering (technical) efficiency. Applicants must demonstrate how the proposed SAA optimizes the use of existing infrastructure. In addition, applicants must indicate the long term impacts of the proposed SAA on reliability in the area to be served and on the ability of the system to meet growth potential in the area. Even if the proposed SAA does not represent the lowest cost to any particular party, the proposed SAA may promote economic efficiency if it represents the most effective use of existing resources and reflects the lowest long run economic cost of service to all parties.

(b)	<p>Proximity of the proposed connection to an existing distribution system.</p> <ul style="list-style-type: none"> • Not Applicable
(c)	<p>The fully allocated connection costs for supplying the customer, unless the applicant and the incumbent distributor provide a reason why providing the fully allocated connection costs is unnecessary for the proposed SAA (Note: the Board will determine if the reason provided is acceptable).</p> <ul style="list-style-type: none"> • Not Applicable
(d)	<p>The amount of any capital contribution required from the customer.</p> <ul style="list-style-type: none"> • Not Applicable
(e)	<p>Costs for stranded equipment that would need to be de-energized or removed.</p> <ul style="list-style-type: none"> • To ensure there is no potential sale or transfer of PCB equipment, NT Power will remove all Hydro One transformers in the Newmarket and Tay service areas and install their own. There are no material costs associated with this transaction.
(f)	<p>Information on whether the proposed SAA enhances, or at a minimum does not decrease, the reliability of the infrastructure in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application over the long term.</p> <ul style="list-style-type: none"> • Not Applicable
(g)	<p>information on whether the proposed infrastructure will provide for cost-efficient expansion if there is growth potential in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application.</p>

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	<ul style="list-style-type: none"> • Not Applicable
(h)	<p>information on whether the proposed infrastructure will provide for cost-efficient improvements and upgrades in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application.</p> <ul style="list-style-type: none"> • Not Applicable

1.3 Impacts Arising from the Proposed Amendment

Description of Impacts

1.3.1	<p>Identify any affected customers or landowners.</p> <ul style="list-style-type: none"> • See listing in Section 1.1.1(d)
1.3.2	<p>Provide a description of any impacts on costs, rates, service quality, and reliability for customers <i>in</i> the area. If an assessment of service quality and reliability impacts cannot be provided, explain why.</p> <ul style="list-style-type: none"> • For all customers moving to NT Power, the current rates will be lower than the equivalent current Hydro One distribution rates. • The operations centres for NT Power are close to the new customers and the service quality will remain the same.
1.3.3	<p>Provide a description of any impacts on costs, rates, service quality, and reliability of any distributor <i>outside</i> the area. If an assessment of service quality and reliability impacts cannot be provided, explain why.</p> <ul style="list-style-type: none"> • Not Applicable
1.3.4	<p>Provide a description of the impacts on each distributor involved in the proposed SAA. If these impacts have already been described elsewhere in the application, providing cross-references is acceptable.</p> <ul style="list-style-type: none"> • See detailed description of the service area amendment in Section 1.1.3 • See attached map in Section 1.1.4 for description details.
1.3.5	<p>Provide a description of any assets which may be stranded or become redundant if the proposed SAA is granted.</p> <ul style="list-style-type: none"> • NT Power will remove all Hydro One Networks' transformers in the Newmarket and Tay service areas and install their own. • NT Power Hydro will deliver the Hydro One Networks' owned transformers to Hydro One Network's Newmarket or Penetang Operations Centres as appropriate. • NT Power will also remove and return to the Newmarket Operations Centre the three current transformers used for secondary metering for three customers.

Elimination of Long Term Load Transfers – Hydro One Networks – Newmarket Tay Power Distribution

1.3.6	<p>Identify any assets that are proposed to be transferred to or from the applicant. If an asset transfer is required, has the relevant application been filed in accordance with section 86 of the Act? If not, indicate when the applicant will be filing the relevant section 86 application.</p> <ul style="list-style-type: none"> See Part B (below) – Streamlined Section 86(1)(b) Application Attached.
1.3.7	<p>Identify any customers that are proposed to be transferred to or from the applicant.</p> <ul style="list-style-type: none"> See Section 1.1.1 (d)
1.3.8	<p>Provide a description of any existing load transfers or retail points of supply that will be eliminated.</p> <ul style="list-style-type: none"> 44 Hydro One Networks' LTLTs will be eliminated in the short term as shown on the attached maps in Section 1.1.4. A further 2 Hydro One Networks' LTLTs and 8 NT Power LTLTs, for which exemptions are sought herein, will be eliminated by 2009.
1.3.9	<p>Identify any new load transfers or retail points of supply that will be created as a result of the proposed SAA. If a new load transfer will be created, has the applicant requested leave of the Board in accordance with section 6.5.5 of the Distribution System Code ("DSC")? If not, indicate when the applicant will be filing its request for leave under section 6.5.5 of the DSC with the Board. If a new retail point of supply will be created, does the host distributor (i.e., the distributor who provides electricity to an embedded distributor) have an applicable Board approved rate? If not, indicate when the host distributor will be filing an application for the applicable rate.</p> <ul style="list-style-type: none"> There are no new Load Transfers being created as a result of the proposed SAA.

Evidence of Consideration and Mitigation of Impacts

1.3.10	<p>Provide written confirmation by the applicant that all affected persons have been provided with specific and factual information about the proposed SAA. As part of the written confirmation, the applicant must include details of any communications or consultations that may have occurred between distributors regarding the proposed SAA.</p> <ul style="list-style-type: none"> [Pending input from the OEB on Notice process]
1.3.11	<p>Provide a letter from the incumbent distributor in which the incumbent distributor indicates that it consents to the application.</p> <ul style="list-style-type: none"> This is a joint application by both distributors.
1.3.12	<p>Provide a written response from all affected customers, developers, and landowners consenting to the application, if applicable.</p> <ul style="list-style-type: none"> Not Applicable

Elimination of Long Term Load Transfers – Hydro One Networks – Newmarket Tay Power Distribution

1.3.13	<p>Provide evidence of attempts to mitigate impacts where customer and/or asset transfers are involved.</p> <ul style="list-style-type: none">• Not Applicable – there are no adverse affects expected
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1.4 Customer Preference

The Board, in the RP-2003-0044 decision, stated that customer preference is an important, but not overriding consideration when assessing the merits of an SAA.

1.4.1	<p>An applicant who brings forward an application where customer choice may be a factor must provide a written statement signed by the customer indicating the customer's preference.</p> <ul style="list-style-type: none">• Not Applicable
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Part B: Transfer of Assets (streamlined S86(1)(b))

2.0 DESCRIPTION OF THE ASSETS TO BE TRANSFERRED

2.1	<p>Please attach a description of the assets that are the subject of the proposed transaction.</p> <p>The following is a list of LTLT related assets to be transferred from Hydro One Networks to NT Power as part this application.</p> <p style="text-align: center;">Related to Newmarket Service Area (ED – 2002 – 0553)</p> <table border="1"> <thead> <tr> <th>Asset</th><th>Quantity</th><th>Year</th><th>NBV</th></tr> </thead> <tbody> <tr> <td>Poles</td><td>0</td><td>N/A</td><td>0</td></tr> <tr> <td>#4 Triplex</td><td>140 meters</td><td>1975</td><td></td></tr> <tr> <td>#2 Triplex</td><td>105 meters</td><td>1975</td><td>\$94.94</td></tr> <tr> <td>1/0 Triplex</td><td>40 meters</td><td>1985</td><td>\$109.45</td></tr> <tr> <td>3/0 Underground Conductor</td><td>120 meters</td><td>1981</td><td>\$0.00</td></tr> <tr> <td>Spun Buss (no Neutral)</td><td>300 meters</td><td>1971</td><td>\$46.11</td></tr> <tr> <td>3/0 Triplex Buss</td><td>840 meters</td><td>2002</td><td>\$7,004.29</td></tr> <tr> <td colspan="3">Sub Total</td><td>\$7,254.79</td></tr> <tr> <td colspan="3">GST</td><td>\$435.29</td></tr> <tr> <td colspan="3">Total</td><td>\$7,690.08</td></tr> </tbody> </table> <p style="text-align: center;">Related to Tay Service Area (ED – 2002 – 0519)</p> <table border="1"> <thead> <tr> <th>Asset</th><th>Quantity</th><th>Year</th><th>NBV</th></tr> </thead> <tbody> <tr> <td>Poles</td><td>1</td><td>1984</td><td>789.43</td></tr> <tr> <td>#4 Triplex</td><td>40 meters</td><td>1960</td><td>N/A</td></tr> <tr> <td>#2 Triplex</td><td>90 meters</td><td>1973</td><td>15.07</td></tr> <tr> <td>3/0 Underground Conductor</td><td>10 meters</td><td>1990</td><td>117.87</td></tr> <tr> <td>3/0 Underground Conductor</td><td>50 meters</td><td>2001</td><td>1,991.26</td></tr> <tr> <td>1 Switch and 1 Arrestor</td><td>2</td><td>1969</td><td>10.68</td></tr> <tr> <td colspan="3">Sub Total</td><td>2,924.31</td></tr> <tr> <td colspan="3">GST</td><td>175.46</td></tr> <tr> <td colspan="3">Total</td><td>\$3,099.77</td></tr> <tr> <td colspan="3">Grand Total</td><td>\$10,789.65</td></tr> </tbody> </table>	Asset	Quantity	Year	NBV	Poles	0	N/A	0	#4 Triplex	140 meters	1975		#2 Triplex	105 meters	1975	\$94.94	1/0 Triplex	40 meters	1985	\$109.45	3/0 Underground Conductor	120 meters	1981	\$0.00	Spun Buss (no Neutral)	300 meters	1971	\$46.11	3/0 Triplex Buss	840 meters	2002	\$7,004.29	Sub Total			\$7,254.79	GST			\$435.29	Total			\$7,690.08	Asset	Quantity	Year	NBV	Poles	1	1984	789.43	#4 Triplex	40 meters	1960	N/A	#2 Triplex	90 meters	1973	15.07	3/0 Underground Conductor	10 meters	1990	117.87	3/0 Underground Conductor	50 meters	2001	1,991.26	1 Switch and 1 Arrestor	2	1969	10.68	Sub Total			2,924.31	GST			175.46	Total			\$3,099.77	Grand Total			\$10,789.65	
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2.2	<p>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.</p>																																																																																									

Elimination of Long Term Load Transfers – Hydro One Networks – Newmarket Tay Power Distribution

	<p><u>Hydro One Networks – NT Power (Newmarket Service Area):</u></p> <ul style="list-style-type: none"> The primary conductors and any necessary secondary conductors are located on Green Lane, Leslie Street on the west side and Bathurst Street on the west side in NT Power's service area. See attached map in Section 1.1.4 of NT Power's Newmarket service area amendment. <p><u>Hydro One Networks – NT Power (Tay Service Area):</u></p> <ul style="list-style-type: none"> The assets are located on the north side of Highway 12 from Trestle Road easterly to Vents Beach Road, and on Sandhill Road south of Highway 12 in NT Power's service area. See attached map in Section 1.1.4 of NT Power's Tay service area amendment. 	
2.3	<p>Are the assets surplus to the applicant's needs? If yes, please indicate why, and since when.</p> <ul style="list-style-type: none"> These assets have been serving the customers for several years. It would be uneconomical for Hydro One Networks' to remove these assets and for NT Power to install new conductors to serve these customers. NT Power has agreed to purchase these assets from Hydro One Networks' for net book value. 	
2.4	<p>Are the assets useful to the proposed recipient or any other party in serving the public? If yes, please indicate why.</p> <ul style="list-style-type: none"> The conductors purchased by NT Power will continue to supply the load to the existing customers at the same location as they are being served presently. This is just an ownership change. 	
2.5	<p>Please indicate which utility's customers are currently served by the assets.</p> <ul style="list-style-type: none"> 44 Hydro One Networks customers 	
2.6	<p>Please indicate which utility's customers will be served by the assets after the transaction and into the foreseeable future.</p> <ul style="list-style-type: none"> 42 Hydro One LTLT customers (currently served from Newmarket Hydro service area) and 2 Hydro One LTLT customers (currently served from Tay Hydro service area) will become NT Power customers and will be served by NT Power using the assets after the transaction. 	

3.0 DESCRIPTION OF THE PROPOSED TRANSACTION

3.1	<p>Please indicate if the proposed transaction will be a sale, lease or other (please specify).</p> <ul style="list-style-type: none"> The transaction will be a sale. 	
3.2	<p>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.</p> <ul style="list-style-type: none"> The Net Book Value for this sale is \$10,789.65. Details are found in Section 2.1. 	
3.3	<p>Would the proposed transfer impact any other parties (e.g. joint users of poles) including any agreements with third parties? If yes, please specify how.</p> <ul style="list-style-type: none"> No 	
3.4	<p>Would the proposed transfer impact distribution or transmission rates of the applicant? If yes, please specify how.</p> <ul style="list-style-type: none"> No 	
3.5	<p>Will the transaction adversely affect the safety, reliability, quality of service, operational flexibility or economic efficiency of the applicant or the proposed recipient? If yes, please specify how.</p> <ul style="list-style-type: none"> Safety and reliability will remain the same. There is no change in any environmental aspects in the areas surrounding the assets being sold. 	

4.0: 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.

Elimination of Long Term Load Transfers – Hydro One Networks – Newmarket Tay Power Distribution

5.0: WRITTEN CONSENT/JOINT AGREEMENT

Both parties Hydro One Networks Inc. and Newmarket – Tay Power Distribution Ltd. agree to all the statements made in this application.

ORIGINAL SIGNED BY ALLAN COWAN

Allan Cowan, Director Applications
Hydro One Networks Inc.

ORIGINAL SIGNED BY PAUL FERGUSON

Paul Ferguson, President
Newmarket – Tay Power Distribution Ltd.

Dated: _____

6.0: REQUEST FOR NO HEARING

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.

- (a) Both parties to this application request no hearing.

The assets being sold in this transaction are part of a Service Area Amendment application to eliminate Hydro One Networks' LTLT's in the NT Power Newmarket and Tay service areas and the NT Power LTLTs in the Tay service area as requested in the Board's Amendments to the Distribution System Code, Board File No. – "EB-2007-0005 – Timing for the Elimination of Load Transfers" issued March 12, 2007.

- (b) The signature on this application acknowledges agreement to dispose of this application without a hearing.

ORIGINAL SIGNED BY ALLAN COWAN

Allan Cowan, Director Applications
Hydro One Networks Inc.

ORIGINAL SIGNED BY PAUL FERGUSON

Paul Ferguson, President
Newmarket – Tay Power Distribution Ltd.

Dated: _____

Attachment 1 - Maps