

Hydro One Networks Inc.

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www.HydroOne.com

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Andrew Skalski

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

March 14, 2012

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

Dear Ms. Walli:

Re: Hydro One Networks' Request for Leave to Sell Distribution Assets to Shamadon Resort Ltd.

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 Shamadon Resort Ltd. ("Shamadon Resort"). 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 asset being sold in this transaction is described in the attached application and is 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

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:	Yoon Kim
Title/Position:	Applications Analyst - Regulatory Affairs
Address of Head Office:	483 Bay Street, South Tower, Toronto, M5G 2P5
Phone:	416-345-5228
Fax:	416-345-5866
Email:	Yoon.Kim@HydroOne.com

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

Name of other party:	Shamadon Resort Ltd.
Name of Primary Contact:	Stephen Sham
Title/Position:	Owner
Address of Head Office:	P.O. Box 250, Mount Forest, ON, N0G 2L0
Phone:	519-323-4592
Fax:	N/A
Email :	N/A

- 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

The recipient is not a licensed distributor. While section 57 of the OEB Act (“the Act”) requires a distributor to hold a licence, section 4.0.1(1)(b) of Ontario Regulation 161/99 provides an exemption to section 57 of the Act for a distribution system owned or operated by the distributor that is entirely located on land owned or leased by the distributor. As such, since the asset to be sold is entirely on land owned by the recipient, Shamadon Resort Ltd. (“Shamadon Resort”) would be exempted from section 57 of the Act.

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 assets to be sold consist of:

- 1. 5 – 1953 wood poles**
- 2. 1 – 1980 wood pole**
- 3. 590m of Phase and Neutral conductor**
- 4. 4 Secondary Underground services (150m)**
- 5. 1 – 1991 – 25 kVA overhead transformer**
- 6. 1 – 1979 – 50 kVA overhead transformer**
- 7. 1 – 1982 – 50 kVA overhead transformer**
- 8. 1 – 1987 – 50 kVA overhead transformer**

- 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 assets are located at 231764 Concession 2 WGR in Normanby Township, Ayton, ON. (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.

The transformers are useful only to serve customers of Shamadon Resort.

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

The assets currently serve a Hydro One customer.

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

The asset will continue to serve the same Hydro One customer. After the sale, the asset will be owned by the customer instead of the utility, but Hydro One will continue to supply electricity to this customer.

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 \$1,713.¹⁶ plus HST. 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) 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 line serving the park terminates at the customer's site. The transfer of ownership will have no effect on any other customers connected to the feeder. There will be no changes in the operation of the feeder, therefore no change in service to other customers or persons.

(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 MARCH 14, 2012	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



January 23, 2012

Stephen Sham
P.O. Box 250
Mount Forest,
On, N0G 2L0

Re: Shamadon Resort Ltd

Dear Mr. Stephen Sham

This letter is to advise you of the progress that is being made regarding the sale of Hydro One assets in the Shamadon Resort Ltd.

Based on your response to our initial letter, you have elected to purchase all assets excluding meters.

The net book value for all Assets at Shamadon Resort Ltd is calculated as \$1713.16 for a total purchase price of \$1935.87

Please sign below indicating your intention to purchase the assets as noted above, and return to us in the self addressed envelope. Upon receipt of the signed letter, we will proceed to obtain approval from the Ontario Energy Board. Obtaining Ontario Energy Board (OEB) approval could take 12 - 20 weeks.

After official approvals have been obtained, the Shamadon Resort Ltd will proceed with the installation of their own load break switch and bring the electrical system within the park up the Electrical Safety Inspection standards, if required, as noted by the report completed by ESA. Hydro One will install a primary metering unit, to meter the park.

The Shamadon Resort Ltd agrees to purchase all assets now owned by Hydro One, within the boundaries of the Shamadon Resort Ltd for a total price of \$1713.16 plus HST, which will be invoiced after the OEB have granted their approval.

Signature of Shamadon Resort Ltd Representative /

STEPHEN SHAM

Name (please print)

**ORIGINAL SIGNED
BY STEPHEN SHAM**

Feb 15, 2012

Date

Thank you for your co-operation in this matter.

Sincerely

Lines Customer Support Clerk
Beachville Field Business Centre
Zone 1



November 16th 2011

Hydro One Networks Inc.
483 Bay Street
Toronto, Ontario
M5G 2P5

Attention: Yoon Kim

Re: Shamadon Resort Ltd

It is our understanding that approval is required by the Ontario Energy Board (OEB) for the sale of assets by Hydro One. Shamadon Resort Ltd fully supports Hydro One's actions with the Board to obtain approval of this minor transaction without a hearing.

We would like to expedite this process as ownership of the assets enables us to complete work on the campground.

Furthermore, no other party would be affected by this sale. Therefore, we would appreciate an approval of this transaction as soon as possible.

Thank you for your assistance in this matter.

<u>STEPHEN SHAM</u> Name (Owner)	ORIGINAL SIGNED BY STEPHEN SHAM <u>[Signature]</u> Signature	<u>Dec 12, 2011</u> Date
<u>OLAF SHAM</u> Name (Owner)	ORIGINAL SIGNED BY OLAF SHAM <u>[Signature]</u> Signature	<u>Dec 12, 2011</u> Date

Shamadon Resort Ltd
~~P.O. Box 159~~
231764 Conc 2 WGR Normanby Twp
Campbellville ON
~~L6P 1B0~~

← **WRONG ADDRESS.**
AYTON, ON, NOG 1C0, CANADA

Please note:

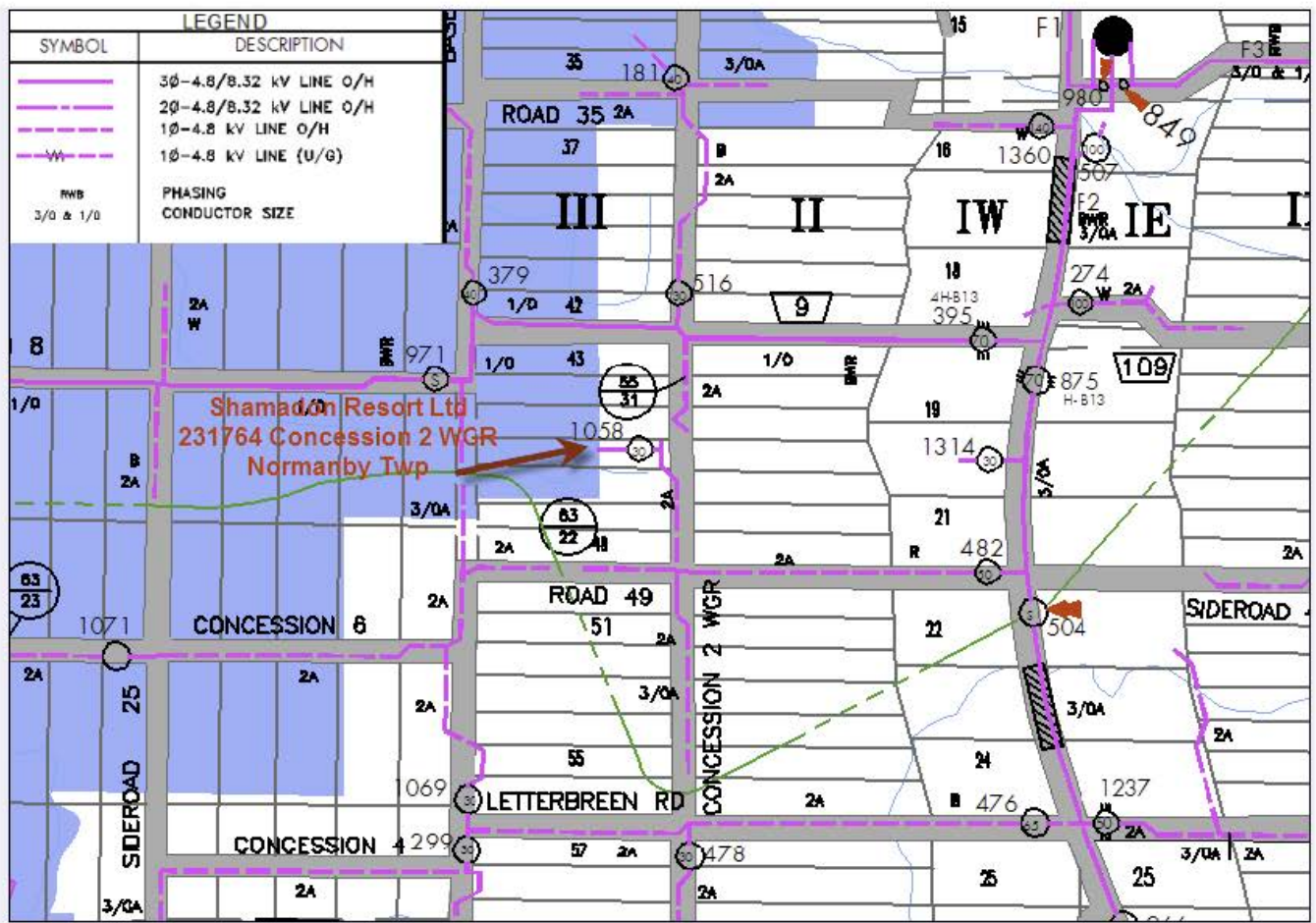
Mailing Address:

P.O. Box 250

MOUNT FOREST, ON, NOG 2 L0, CANADA.

519-323-4592.

ATTACHMENT 2- Map



LEGEND	
SYMBOL	DESCRIPTION
	3Ø PRIMARY (4.8/8.32 kV)
	2Ø PRIMARY
	1Ø PRIMARY
	1234 SWITCHING VAULT
	456LL7 OPENER & NUMBER
	2345 SWITCH, NUMBER & FUSE SIZE
	1254 AIR BREAK SWITCH
	4444 LOAD BREAK SWITCH
	3456 RECLOSER, NUMBER, TYPE & SIZE
	RABBIT - STEP DOWN TRANSFORMER
	CAPACITOR
	METERING UNIT
	OPEN POINT
	UNDERGROUND CABLE
	DISTRIBUTION STATION
	R2345 SINGLE REGULATOR & SIZE
	R2345 2-PHASE REGULATOR & SIZE
	R2345 3-PHASE REGULATOR & SIZE