



PUC Networks Inc.

100 Simcoe Street South, Oshawa, Ontario L1H 7M7 • Tel. (905) 723-4623 • Fax (905) 723-7947 • E-mail contactus@opuc.on.ca

January 8, 2013

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor 2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: **EB-2012-0373 – Hydro One Networks Request for Leave to Sell Distribution Assets to Oshawa Power and Utilities Corporation – Request to Amend Decision and Order**

On September 26, 2012 Hydro One Networks Inc. (“Hydro One”) filed an application with the Ontario Energy Board (the “Board”) under section 86(1)(b) of the *Ontario Energy Board Act, 1998* (the “Act”), for an order granting Hydro One leave to sell certain distribution system assets to Oshawa Power and Utilities Corporation (“OPUC”).

The Board assigned file number EB-2012-0373 to the application and issued the following **Decision and Order** dated November 8, 2012:

“Hydro One Networks Inc. is granted leave to sell to Oshawa Power and Utilities Corporation the distribution system assets described as 20 wood poles, excluding conductors, located on Townline Road N, from Kitchen Crt/Badgley Drive until the 4th pole north of Conlin Road E.”

Pursuant to the Board’s **Decision and Order** dated November 8, 2012, it was determined that the application submitted by Hydro One to sell certain distribution system assets to OPUC should have read Oshawa PUC Networks Inc. (“OPUCN”), the local distribution company and subsidiary of OPUC. The executed Sale Agreement was between Hydro One and OPUCN which is how the application should have been originally filed.

Therefore, OPUCN is filing this amendment application seeking a change to the Board’s original **Decision and Order** naming Oshawa PUC Networks Inc. rather than Oshawa Power and Utilities Corporation as the counterparty to the transaction with Hydro One.

OPUCN does not consider this request to have a material impact on any other party, and asks that the Board deliberate on the proceeding without a hearing under section 21(4)(b) of the *Act*.

In connection with this request, Hydro One has provided a consent letter dated November 14, 2012, a copy of which is enclosed.

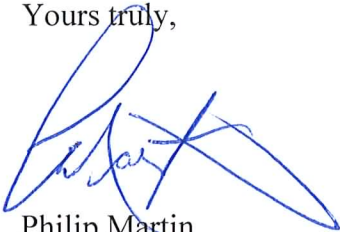
In addition, please find the following documents enclosed:

- An executed copy of the original sale agreement between Hydro One and **OPUCN**.
- Hydro One's application.
- The Board's **Decision and Order**.
- A letter from OPUCN to the Board dated November 28, 2012 notifying them of the discrepancy.

A copy of this amendment application will be emailed and two (2) copies will be sent by courier.

Please direct any questions regarding this submission to the undersigned.

Yours truly,



Philip Martin

VP, Finance and Regulatory Compliance

(905) 723-4626 ext 5250

pmartin@opuc.on.ca

Encl.

Hydro One Networks Inc.

483 Bay Street
North Tower, 14th Floor
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5966
Fax: (416) 345-5977



November 29, 2012

**Ms. Denise Flores
Vice President, Engineering and Operations
Oshawa PUC Networks Inc.
100 Simcoe Street South
Oshawa, ON, L1H 7M7**

Dear Ms. Denise Flores,

Please find enclosed an executed copy of the Sale Agreement between Oshawa PUC Networks Inc. and Hydro One Networks Inc.

If you have any questions or concerns please contact your Account Executive, Jayde Kinderman at 416 - 345-6775.

Sincerely,

A handwritten signature in black ink, appearing to read "Lea Berto", written in a cursive style.

Lea Berto
Administrative Assistant, Customer Care

SALE AGREEMENT

THIS AGREEMENT made as of the 12th day of November, 2012.

BETWEEN:

HYDRO ONE NETWORKS INC.

(hereinafter referred to as "**Vendor**")
OF THE FIRST PART

- and -

OSHAWA PUC NETWORKS INC.

(hereinafter referred to as "**Purchaser**")
OF THE SECOND PART

WHEREAS:

- (a) Vendor is the owner of 20 wood poles that are situated on Townline Road North, from Kitchen Court and Badgley Drive until the 4th pole north of Conlin Road East, in the City of Oshawa and more particularly listed in Schedule A hereto (the "**Works**") located within its boundaries;
- (b) Purchaser wishes to purchase and Vendor wishes to sell the Works, as defined below, to Purchaser on the terms and conditions set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1.0 DEFINITIONS:

In this Agreement the following words shall have the meanings attributed hereunder:

- (a) "**Business Day**" means any day other than a Saturday, Sunday, or a statutory or civic holiday in the Province of Ontario.
- (b) "**Closing**" means the completion of the purchase and sale of the Works contemplated herein.
- (c) "**Closing Date**" is defined in Section 5.1.
- (d) "**Closing Time**" is defined in Section 2.3.
- (e) "**Parties**" means Vendor and Purchaser collectively, and "**Party**" means any one of them.
- (f) "**Price**" means the amount set out in Section 2.1.

SALE AGREEMENT

- (g) **“Taxes”** means any and all applicable federal, state, provincial, local or foreign taxes and duties including, but not limited to, sales, use, excise, value added, gross receipts, privilege or other non-recoverable taxes that are mandated or imposed on Vendor by any jurisdiction or governmental entity in relation to the sale of the Works to Purchaser under this Agreement (other than taxes that are imposed upon the income, property, payroll or capital of a Person).
- (i) **“Works”** means only those distribution assets described in Schedule “A” hereto.

2.0 PRICE:

- 2.1 Subject to the terms and conditions in this Agreement, Purchaser agrees to purchase and Vendor agrees to sell, at the Closing Time, the Works for the sum of SEVEN THOUSAND SEVEN HUNDRED Canadian Dollars (\$7,700.00) (**“Price”**) plus applicable Taxes.
- 2.2 The Price plus applicable Taxes shall be paid by certified cheque at the Closing Time.
- 2.3 Closing shall take place at the offices of Vendor at 483 Bay Street, 14th Floor, North Tower, Toronto, Ontario, at 1:00 p.m. on the Closing Date, or such other time on the Closing Date as Vendor and Purchaser may mutually agree (**“Closing Time”**).

3.0 REPRESENTATIONS AND WARRANTIES:

- 3.1 Vendor represents and warrants to Purchaser that:
 - (a) Vendor is a corporation duly incorporated and validly subsisting under the laws of the Province of Ontario;
 - (b) prior to the Closing Date, it shall have obtained all necessary and appropriate corporate approval, in final and binding form, to the transaction of purchase and sale contemplated herein, and to enter into this Agreement and to perform its obligations hereunder;
 - (c) this Agreement constitutes a valid and binding obligation of Vendor enforceable against it in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency or similar proceedings relating to creditor’s rights generally and to the extent that equitable remedies such as specific performance and injunction are in the discretion of a court of competent jurisdiction;
 - (d) it is not a non-resident of Canada for the purpose of Section 116 of the *Income Tax Act* (Canada); and
 - (e) Vendor’s Harmonized Sales Tax registration number is 870865821.
- 3.2 Purchaser represents and warrants to Vendor that:

SALE AGREEMENT

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the Province of Ontario;
- (b) prior to the Closing Date, it shall have obtained all necessary and appropriate corporate approval in final and binding form, to the transaction of purchase and sale contemplated herein, and to enter into this Agreement and to perform its obligations hereunder;
- (c) this Agreement constitutes a valid and binding obligation of Purchaser enforceable against it in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency or similar proceedings relating to creditor's rights generally and to the extent that equitable remedies such as specific performance and injunction are in the discretion of a court of competent jurisdiction; and
- (d) no consent, authorization or approval of, or exemption by, any governmental or public body or authority, or by any person, whether pursuant to contract or otherwise, is required in connection with the execution, delivery and performance of this Agreement by Purchaser.

3.3 Survival after Closing. This Agreement contains all of the representations and warranties of the Parties relating to the transaction of purchase and sale contemplated herein. All representations, warranties, covenants and agreements in this Agreement shall survive through and after the Closing, and the execution and delivery of any instruments of conveyance, assignments or other instruments of transfer of title to any of the Works and the payment of the consideration therefore.

4.0 CONDITIONS OF CLOSING

4.1 The obligation of the Parties to complete the purchase and sale herein provided for is subject to the satisfaction of, or compliance with, at or before Closing, the following condition precedent:

- (a) Vendor obtaining, at its sole expense, leave of the Ontario Energy Board (the "OEB") to sell the Works in accordance with section 86(1)(b) of the OEB Act. If the OEB decision is not rendered by **December 31, 2012**, Vendor, at its option, may elect to terminate this Agreement upon written notice to Purchaser. If the OEB approval for the sale is not given, this Agreement will be terminated immediately upon the date of the OEB's decision or order denying approval of the sale

If this Agreement is terminated under this Section 4.1, then except for the obligations of confidentiality in Section 7.12 herein, neither Party shall be obligated to perform any of its obligations herein and neither party shall be liable for any penalty or damages as a result thereof.

5.0 CLOSING

5.1 The Closing shall take place within 60 days after the date of the OEB decision order; ("**Closing Date**").

SALE AGREEMENT

5.2 On Closing, Vendor shall deliver to Purchaser:

- (a) Bill of Sale for the Works; and
- (b) a copy of the consent of the OEB granting leave to sell the Works in accordance with section 86(1)(b) of the OEB Act;

5.3 On Closing, Purchaser shall deliver to Vendor:

- (a) a certified cheque for the Price plus applicable Taxes; and
- (b) an indemnity in which it indemnifies and saves harmless the Vendor, its successors and assigns, from any and all claims, demands of every nature whatsoever arising on or after the Closing Date in connection with the Works.

6.0 TITLE MATTERS:

6.1 Purchaser shall accept the Works on Closing in their “as is, where is” condition.

6.2 Purchaser acknowledges and understands that the Vendor is not granting, transferring, assigning, licensing, sub-licensing or in any way conveying any land rights connected, related or ancillary to the Works and, that the Vendor makes no representations or warranties with regard to the Purchaser’s requirements for such land rights.

7.0 GENERAL

7.1 **Expenses.** Except as set forth herein, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions herein contemplated shall be paid by the Party incurring such costs and expenses.

7.2 **Time of the Essence.** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by authorized representatives of the Parties.

7.3 **Entire Agreement.** This Agreement, which includes any schedules attached hereto, shall constitute the entire agreement between the Parties with respect to the subject matter hereof. There is no representation, warranty, collateral agreement or condition, whether direct or collateral, express or implied, which induced any party hereto to enter into this Agreement or on which reliance is placed by any such party or which affects the Agreement or the Works.

7.4 **Notices.**

- (a) Any notice or other writing required or permitted to be given under this Agreement or for the purposes of it, to any party, shall be in writing and shall be

SALE AGREEMENT

delivered in person, transmitted by facsimile or sent by registered mail, charges prepaid, addressed as follows:

The addresses for delivery are:

Hydro One Networks Inc.
483 Bay Street, North Tower, 14th Floor,
Toronto, Ontario,
M5G 2P5
Attn: Brad Colden,
Manager, Customer Business Relations,
Phone (416) 345-6810
Fax (416) 345-5977

Oshawa PUC Networks Inc.
100 Simcoe St. South
Oshawa, Ont.
L1H 7M7
Attn: Denise Flores
Vice President, Engineering & Operations
Phone 905-723-4626 ext 5315,

- (b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following Business Day) or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three (3) Business Days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communications hereunder shall be delivered or transmitted by telecopy as aforesaid.
- (c) Either Party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section.

- 7.5 **Assignment.** Neither this Agreement nor any rights, remedies, liabilities or obligations arising under it or by reason of it shall be assignable by any party without the prior written consent of the other Party. This Agreement shall enure to the benefit of and be binding on the Parties and their respective successors and permitted assigns.
- 7.6 **Further assurances.** The Parties shall do all things and provide all reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and to carry out its provisions, whether before or after the Closing.
- 7.7 **Non-merger.** The representations, warranties, covenants and agreements contained in this Agreement or in any instrument, document or written statement delivered pursuant to this Agreement shall survive and not merge on Closing.

SALE AGREEMENT


- 7.8 **Applicable Law.** This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each Party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom.
- 7.9 **Amendments and Waivers.** No amendment or waiver or any provision of this Agreement shall be binding on either Party unless consented to in writing by such Party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise provided.
- 7.10 **Schedules.** Schedule A is attached to and forms part of this Agreement.
- 7.11 **Counterparts.** This Agreement may be executed in counterparts and delivered by facsimile, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.
- 7.12 **Confidentiality.** Except as required by law or with the prior written consent of the other Party, neither Party shall make any public announcement or other disclosures to third parties (other than each Party's counsel or other advisors who require such information for the purposes of this Agreement and have agreed to keep such terms confidential) regarding this Agreement or the transactions contemplated by this Agreement. Both Parties shall be entitled to all remedies available at law or in equity to enforce, or such relief in connection with, this confidentiality obligation.

[SIGNATURE PAGE FOLLOWS]

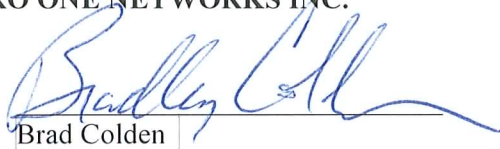
SALE AGREEMENT

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

OSHAWA PUC NETWORKS INC.

Per: 
Name: Denise Flores
Title: Vice President, Engineering & Operations
I have the authority to bind the Corporation

HYDRO ONE NETWORKS INC.

Per: 
Name: Brad Colden
Title: Manager, Customer Business Relations
I have the authority to bind the Corporation

SALE AGREEMENT

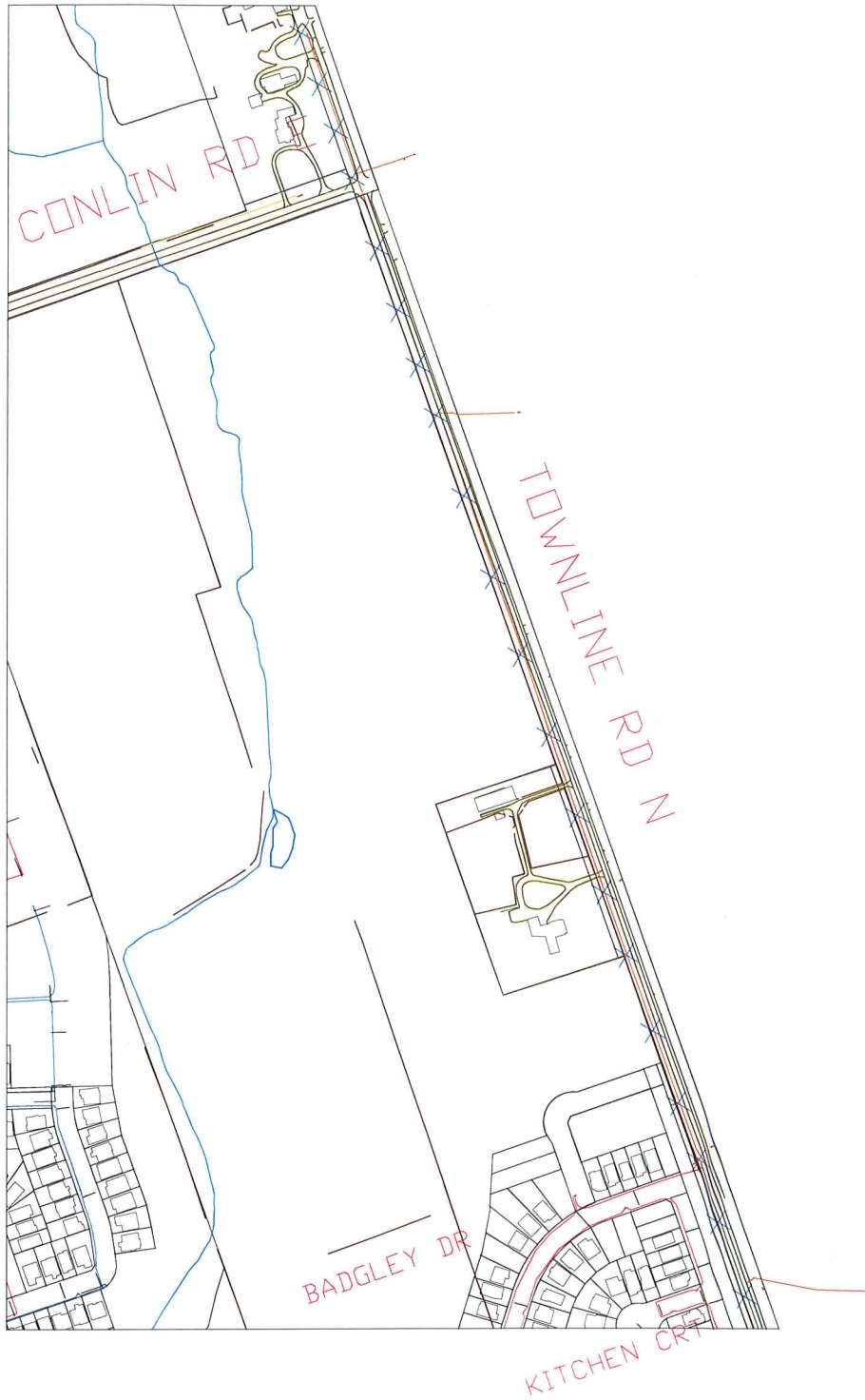
SCHEDULE "A"

The 20 wood poles are located on the boundary of Hydro One and OPUCN's service territory in the City of Oshawa; the assets (poles) are located on Townline Rd N, from Kitchen Crt/Badgley Dr until the 4th pole north of Conlin Rd E.

They are described as:

Pole	ID Number	Height	Year	Age
1	C835DP	30	1980	32
2	C835CJ	35	1980	32
3	C835BE	30	1980	32
4	C835AZ	40	1980	32
5	C8359L	35	1980	32
6	C834YL	35	1980	32
7	C834XG	35	1980	32
8	C834WB	40	1980	32
9	C834VW	35	1980	32
10	C834UR	35	1980	32
11	C834TM	35	1980	32
12	C834SH	40	1980	32
13	C834RC	40	1980	32
14	C834QX	40	1980	32
15	C834PS	40	1980	32
16	C834NJ	40	1980	32
17	C835ET	40	1980	32
18	C835FY	35	1957	55
19	C835GD	35	1957	55
20	C835HJ	40	1980	32

SALE AGREEMENT



Hydro One Networks Inc.

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

Tel: (416) 345-5405
Fax: (416) 345-5866
Pasquale.Catalano@HydroOne.com

Pasquale Catalano

Regulatory Analyst – Regulatory Compliance
Regulatory Affairs



BY COURIER

November 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:

EB-2012-0373 - Hydro One Networks' Request for Leave to Sell Distribution Assets to Oshawa Power and Utilities Corp – Consent Letter to Amend Decision and Order

Hydro One Networks Inc. (HONI) has been informed by Oshawa Power Utilities Corporation (OPUC) that OPUC wishes to have the OEB Decision and Order dated November 8, 2012, in EB-2012-0373 amended to read Oshawa Power Utilities Corporation Networks Inc. in lieu of Oshawa Power Utilities Corporation. HONI consents to this request.

Sincerely,

ORIGINAL SIGNED BY PASQUALE CATALANO

Pasquale Catalano

Hydro One Networks Inc.

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

Tel: (416) 345-5707
Fax: (416) 345-5866
Andrew.skalski@HydroOne.com

Andrew Skalski

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

September 26, 2012

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 Oshawa Power and Utilities Corp

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 Oshawa Power and Utilities Corp. 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 Pasquale Catalano at (416) 345-5405 or via email at Pasquale.Catalano@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
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:	Pasquale Catalano
Title/Position:	Regulatory Analyst, Regulatory Affairs
Address of Head Office:	483 Bay Street, 8th Floor, South Tower, Toronto, ON, M5G 2P5
Phone, Fax, Email:	416-345-5228, 416-345-5866, pasquale.catalano@hydroone.com

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

Name of other party:	Oshawa Power and Utilities Corp.
Name of Primary Contact:	Denise Flores
Title/Position:	VP, Engineering & Operations
Address of Head Office:	100 Simcoe Street South, Oshawa, ON, L1H 7M7
Phone, Fax, Email:	905-723-4626 ext. 5315, 905-571-1015, dflores@opuc.on.ca

- 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 the sale of 20 wood poles, excluding conductors, currently owned by Hydro One Networks Inc. ("Hydro One") to Oshawa Power and Utilities Corp. ("OPUC"). The conductors will be retained by Hydro One and relocated to alternative facilities at OPUC's expense.

- 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 location of the proposed assets to be sold are on the boundary of Hydro One and OPUC service territory in the City of Oshawa. The assets are located on Townline Road N, from Kitchen Crt/Badgley Drive until the 4th pole north of Conlin Road E.

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 OPUC'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.

Hydro One and OPUC's customers.

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

Hydro One and OPUC'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 \$7,700.00 plus HST which represents a negotiated commercial value. This value is above book value. 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.

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 20 poles is along the boundary of the purchaser's and seller'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.

The sales of these assets will result in the elimination of two LTLT agreements with no customer transfers completed between Hydro One and OPUC. The customers are currently customers of OPUC but supplied through Hydro One facilities. After the sale, they will remain customers of OPUC and be supplied through OPUC facilities, eliminating the LTLT agreements.

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 **September 26, 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- Letter

Hydro One Networks Inc.
483 Bay St, North Tower, 14th
Floor
Toronto, Ont. M5G 2P5
www.HydroOne.com

Tel: [416] 345-6775
Fax: [416] 345-5977
Cell: [416] 954-4738

Jayde Kinderman
Account Executive
Customer Business Relations



September 24, 2012

Ms. Denise Flores
VP, Engineering and Operations.
Oshawa Power & Utilities Corporation (OPUC)
100 Simcoe St. S
Oshawa, Ont.
L1H 7M7

RE: Townline Rd North, Kitchen Court/Badgley Drive to 4th pole North of Conlin Rd East
Sale of Hydro One's Assets (poles) to Oshawa PUC

Dear Ms. Flores,

This letter is to confirm Hydro One Networks Inc.'s ("Hydro One") agreement to sell 20 wood poles ("the assets") currently owned by ("Hydro One") to Oshawa Power & Utilities Corporation ("OPUC") for \$7700.00 plus applicable taxes, conditional on the Ontario Energy Board's ("OEB") approval. We also confirm that "OPUC" 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.

The 20 wood poles are located on the boundary of Hydro One and OPUC's service territory in the City of Oshawa; The assets (poles) are located on Townline Rd N, from Kitchen Crt/Badgley Dr until the 4th pole north of Conlin Rd E.

“OPUC” also acknowledges that the relocation costs for “HONI’s” conductor on the 20 poles (“the assets”) are not included in the sale price of \$7700.00. The relocation costs will be assumed by OPUC and will be separate from this transaction.


These assets are described as;

Pole	ID Number	Height	Year	Age
1	C835DP	30	1980	32
2	C835CJ	35	1980	32
3	C835BE	30	1980	32
4	C835AZ	40	1980	32
5	C8359L	35	1980	32
6	C834YL	35	1980	32
7	C834XG	35	1980	32
8	C834WB	40	1980	32
9	C834VW	35	1980	32
10	C834UR	35	1980	32
11	C834TM	35	1980	32
12	C834SH	40	1980	32
13	C834RC	40	1980	32
14	C834QX	40	1980	32
15	C834PS	40	1980	32
16	C834NJ	40	1980	32
17	C835ET	40	1980	32
18	C835FY	35	1957	55
19	C835GD	35	1957	55
20	C835HJ	40	1980	32

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 OPUC.

Thank you for your assistance in this matter,

Sincerely,



Jayde Kinderman
Account Executive.

Customer Business Relations
Hydro One Networks Inc.

Acknowledgement:

“OPUC” hereby agrees with content, terms and conditions set out in this letter regarding the purchase of 20 wood poles(“the assets”) which are situated at the boundary of Hydro One and OPUC service territory but currently owned by Hydro One for \$7700.00 plus applicable taxes and supports Hydro One to proceed with the Section 86(1)(b) application without a hearing.

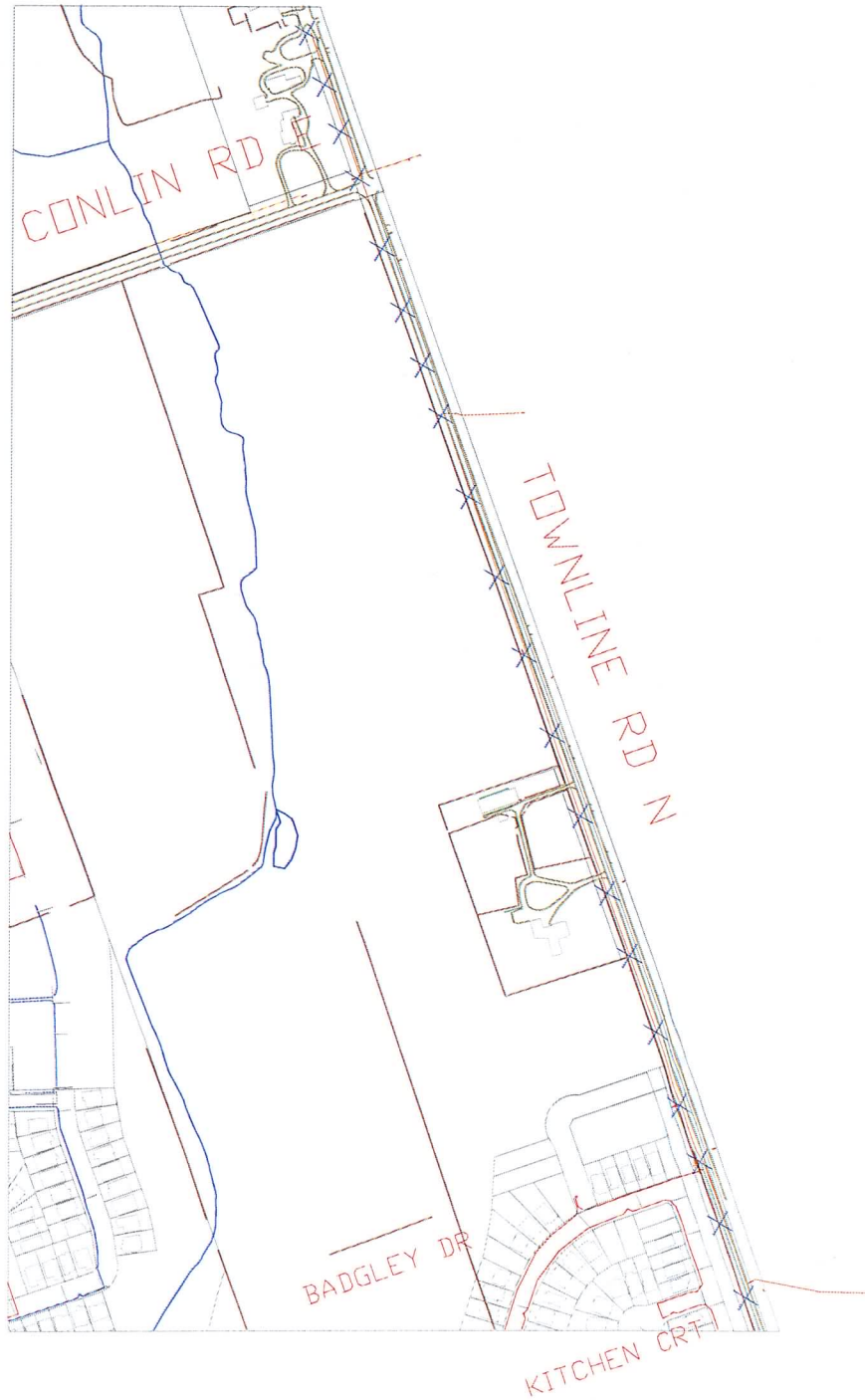
ORIGINAL SIGNED BY
DENISE FLORES

Denise Flores
VP, Engineering and Operations
Oshawa Power & Utilities Corp.
I have the authority to bind the Corporation.

ATTACHMENT 2- Map

LTLT – Townline Rd N Lower

Transfer of Hydro One poles to OPUCN (20 poles)



Job number

Date Created

1/07/13

Job Description for JOB NUMBER **F12-404**

JOB INSTRUCTIONS

CIA-99 Thornton Rd S

\$4294.00 (\$3800.00 + \$494.00 HST 13%)

CONNECTION IMPACT ASSESSMENT FOR 99 THORNTON ROAD SOUTH
CIA STUDY TO INVESTIGATE IMPACT OF CONNECTING 40kW DG PLANT
LOCATED AT 99 THORNTON ROAD SOUTH (CIVIC COMPLEX SOLAR)
TO OPUCN DISTRIBUTION SYSTEM. OPUCN TO CONDUCT STUDY.
NOTE: STUDY DONE INTERNALLY BY ERIC ANDRES. NO COSTS POSTED
TO JOB.

PAYMENT/INVOICING INSTRUCTIONS: (TO PROVIDE PAYMENT TO OPUCN (2012)
225112 ONTARIO INC.
ATTN: ATUL MAHAJAN
100 SIMCOE STREET SOUTH
OSHAWA, ON. L1H 7M7
905-723-4626 X5260

REVIEWED BY _____
Technical Services

AUTHORIZED BY _____
Scott Wright, Manager, Distribution Grid Design & Operations

Date Started		
Date Completed		

Dept Approval

Financel Approval



EB-2012-0373

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF an application pursuant to
section 86(1)(b) of the *Ontario Energy Board Act*,
1998 by Hydro One Networks Inc. seeking an order
granting leave to sell distribution system assets to
Oshawa Power and Utilities Corporation.

By delegation, before: Viive Sawler

DECISION AND ORDER
November 8, 2012

THE APPLICATION

Hydro One Networks Inc. ("Hydro One") filed an application with the Ontario Energy Board on September 26, 2012 under section 86(1)(b) of the *Ontario Energy Board Act*, 1998, for an order granting Hydro One leave to sell certain distribution system assets to Oshawa Power and Utilities Corporation ("OPUC").

The Board assigned file number EB-2012-0373 to the application. The proposed transaction involves the sale of 20 wood poles, excluding conductors, currently owned by Hydro One to OPUC. The assets are located on the boundary of Hydro One's and OPUC's service areas in the City of Oshawa, (on Townline Road N, from KitchenCrt/Badgley Drive until the 4th pole north of Conlin Road E).

Six Hydro One customers and two OPUC customers are currently served by these assets and will continue to be served by these assets following the transaction. The application states that the sale of these assets will result in the elimination of two Long Term Load Transfer ("LTLT") agreements with no customer transfers completed

between Hydro One and OPUC. The customers are currently customers of OPUC but supplied through Hydro One facilities. After the sale, they will remain customers of OPUC and be supplied through OPUC facilities, eliminating the LTLT agreements. The impetus for the sale is to enable OPUC to extend its line north along Townline Rd to Conlin Rd and then west along Conlin Rd where OPUC plant exists. Hydro One will become a tenant so both utilities will maintain their own customers.

FINDINGS

Hydro One requested, with OPUC's consent, that the Board dispose of this matter without a hearing under section 21(4)(b) of the Act. I find, based on the evidence filed in the application, that no other person will be adversely affected in a material way by the outcome of this proceeding. I have therefore disposed of this matter without a hearing.

Section 86(1)(b) of the Act provides that leave of the Board is required before a transmitter or a distributor can "sell, lease or otherwise dispose of that part of its transmission or distribution system that is necessary in serving the public." The assets that are the subject of this transaction are necessary in serving the public.

The evidence indicates that the assets currently serve and will continue to serve Hydro One and OPUC customers and upon purchase will be integrated into OPUC's distribution system to better supply its customers. The applicant further states that the transaction will not adversely affect the safety, reliability, and quality of service of Hydro One or OPUC and operational flexibility can be improved.

The total sale price of \$7,700 (plus HST) represents a negotiated commercial value. The applicant states that the proposed transaction will have no impact on either Hydro One's or OPUC's electricity distribution rates.

Based on the evidence, I find that there are benefits to the proposed transaction, and no negative consequences have been identified. It is therefore in the public interest to grant Hydro One leave to sell the assets described above to OPUC.

The approval of this application should in no way be construed as providing the Board's view as to the merits of any future rate proposal related to the assets that are the subject of this Decision and Order.

IT IS ORDERED THAT:

Hydro One Networks Inc. is granted leave to sell to Oshawa Power and Utilities Corporation the distribution system assets described as 20 wood poles, excluding conductors, located on Townline Road N, from Kitchen Crt/Badgley Drive until the 4th pole north of Conlin Road E.

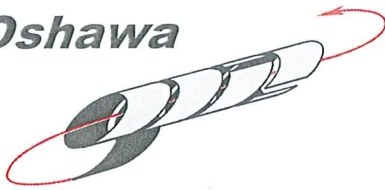
DATED at Toronto, November 8, 2012

ONTARIO ENERGY BOARD

Original signed by

Viive Sawler
Manager
Conservation and Reporting

Oshawa



PUC Networks Inc.

100 Simcoe Street South, Oshawa, Ontario L1H 7M7 • Tel. (905) 723-4623 • Fax (905) 723-7947 • E-mail contactus@opuc.on.ca

November 28, 2012

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor 2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: **EB-2012-0373 – Hydro One Networks Request for Leave to Sell Distribution Assets to Oshawa Power and Utilities Corporation – Request to Amend Decision and Order**

Pursuant to OEB's Decision and Order dated November 8, 2012, in EB-2012-0373, Oshawa Power and Utilities Corporation requests the Decision and Order be amended to read in favour of Oshawa PUC Networks Inc. rather than Oshawa Power and Utilities Corporation.

In connection with this request, we attach a consent letter provided by Hydro One Networks Inc.

Please direct any questions regarding this submission to the undersigned.

Yours truly,

Philip Martin

VP, Finance and Regulatory Compliance

(905) 723-4626 ext 5250

pmartin@opuc.on.ca

Encl.