

**Hydro One Networks Inc.**

7<sup>th</sup> Floor, South Tower  
483 Bay Street  
Toronto, Ontario M5G 2P5  
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Joanne.Richardson@HydroOne.com

**Joanne Richardson**

Director – Major Projects and Partnerships  
Regulatory Affairs



BY COURIER

November 23, 2015

Ms. Kirsten Walli  
Board 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 Fort Frances Power 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 Fort Frances Power Corporation. 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](mailto:Pasquale.Catalano@HydroOne.com).

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

Attachment

cc: Joerg Ruppenstein, FFPC



## Application Form for Applications Under Section 86(1)(b) of the *Ontario Energy Board Act, 1998*

### Application Instructions

#### 1. Purpose of This Form

This form is to be used by parties applying under section 86(1)(b) of the *Ontario Energy Board Act, 1998* (the "Act"). Please note that the Board may require information that is additional or supplementary to the information filed in this form and that the filing of the form does not preclude the applicant from filing additional or supplementary information.

#### 2. Completion Instructions

This form is in a writeable PDF. The applicant must either:

- type answers to all questions, print two copies, and sign both copies; or
- print a copy of the form, clearly print answers to all questions, make a copy, and sign both copies.

Please send both copies of the completed form and two copies of any attachments to:

Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

If you have any questions regarding the completion of this application, please contact the Market Operations Hotline by telephone at 416-440-7604 or 1-888-632-6273 or email at [market.operations@oeb.gov.on.ca](mailto:market.operations@oeb.gov.on.ca).

The Board's "Performance Standards for Processing Applications" are indicated on the "Corporate Information and Reports" section of the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca). Applicants are encouraged to consider the timelines required to process applications to avoid submitting applications too late. If the submitted application is incomplete, it may be returned by the Board or there may be a delay in processing the application.

### PART I: IDENTIFICATION OF PARTIES

#### 1.1 Name of Applicant

Legal name of the applicant:	<b>Hydro One Networks Inc.</b>
Name of Primary Contact:	<b>Pasquale Catalano</b>
Title/Position:	<b>Regulatory Analyst</b>
Address of Head Office:	<b>483 Bay Street, South Tower, Toronto, M5G 2P5</b>
Phone:	<b>416-345-5405</b>
Fax:	<b>416-345-5866</b>
Email:	<b><a href="mailto:Regulatory@HydroOne.com">Regulatory@HydroOne.com</a></b>

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

Name of other party:	<b>Joerg Ruppenstein</b>
Name of Primary Contact:	<b>Fort Frances Power Corporation</b>
Title/Position:	<b>President &amp; CEO</b>
Address of Head Office:	<b>320 Portage Avenue, Fort Frances, ON P9A 3P9</b>
Phone:	<b>807-274-9291</b>
Fax:	<b>807-274-9375</b>
Email :	<b><a href="mailto:jruppenstein@fort-frances.com">jruppenstein@fort-frances.com</a></b>

- 1.3 If the proposed recipient is not a licensed distributor or transmitter, is it a distributor or transmitter that is exempted from the requirement to hold a distribution or transmission licence?

☐ Yes  
☒ No

## PART II: DESCRIPTION OF ASSETS TO BE TRANSFERRED

- 2.1 Please provide a description of the assets that are the subject of the proposed transaction.

**The assets to be sold consist of 32 poles, 7,011 metres of conductor and 25 transformers. Please see Attachment 1 – “Asset Details”.**

- 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.

**A section of Crozier DS F2 - 14.4kV primary conductor, along Frog Creek Road, from 1775 Frog Creek Road on the east to 1725 McIrvine Road to the west in Fort Frances Township. Please see Attachment 2 – “Map”. These assets are located within the defined service territory of Fort Frances Power Corporation (“FFPC”).**

- 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 assets are useful only to serve FFPC customers.**

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

**These assets are currently used to serve Hydro One Networks (“Hydro One”) customers. However, as noted in 2.2, these assets are situated within the current service territory of FFPC and the majority of customers served by these assets also fall within the current FFPC service area boundary. These customers are currently served and billed by Hydro One, but should have been set up as LTLT customers. This quasi-LTLT relationship was discussed in FFPC's last rate case.**

**In addition to the customers within the current boundary of FFPC, these assets also serve customers that fall outside of the current FFPC service area. In an effort to clean up the electrical boundaries between the two distributors, Hydro One and FFPC have agreed in principle to a service area amendment that would transfer the remaining customers served by these assets to FFPC. FFPC will be filing an application requesting this service area amendment shortly.**

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

**The assets will be used to service FFPC 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 \$102,466.11 plus HST - \$13,320.59 for a total sale price of \$115,786.70.**

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 3.**

#### 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 is being sold to FFPC as it is no longer useful to Hydro One. Please refer to Section 2.5.**
- (b) The letter is found in Attachment 3.**

#### 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.
- In addition to this asset sale application, FFPC will also be filing a separate service area amendment application to acquire customers that currently reside outside the service area boundary of FFPC and are served by Hydro One Networks. In order to serve those customers, FFPC will require assets subject to this approval. Consequently, once the FFPC application is filed, Hydro One requests that the Board review and approve these applications jointly since these assets will be needed to serve the customers subject to the SAA approval currently residing outside the FFPC service area boundary.**

#### 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	Print Name of Key Individual	Title/Position
	<b>Joanne Richardson</b>	<b>Director – Major Projects and Partnerships</b>
	Date	Company
	November 23, 2015	<b>Hydro One Networks Inc.</b>

(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.)

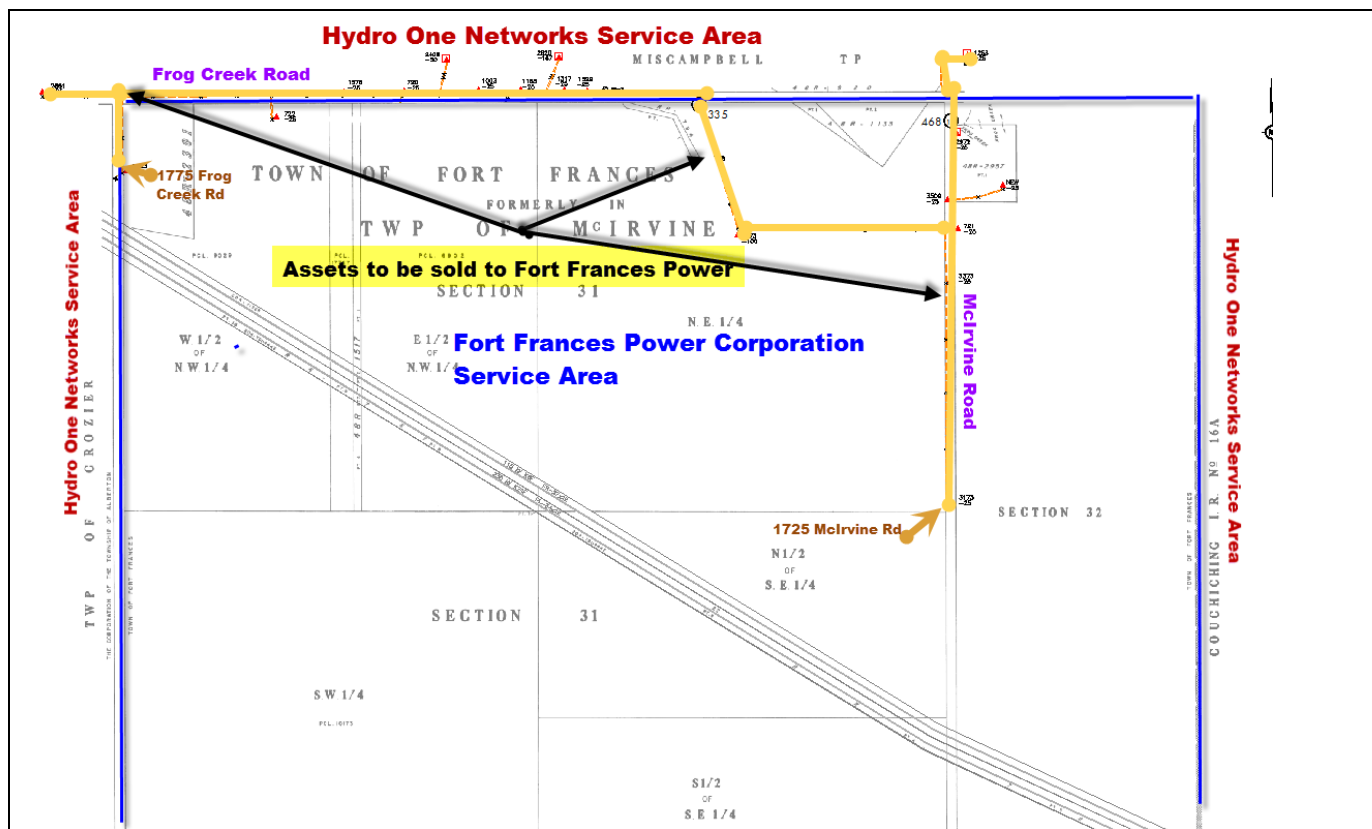
## ATTACHMENT 1 - Asset Details

Conductor Summary		
Type	Year	Length - meters
OH	1951	6161
OH	1990	501
UG	1990	850
<b>Total</b>		<b>7512</b>

Transformer Summary		
Quantity	Size kVa	Year
1	25	1980
2	25	1985
1	25	1987
3	25	1988
8	25	1990
5	25	1999
1	25	2000
2	25	2007
1	25	2009
1	167	1991
<b>25</b>	<b>Total</b>	

Pole Summary		
Quantity	Year	Size
2	1951	30 ft
1	1951	40 ft
1	1967	35 ft
3	1968	35 ft
1	1972	40 ft
1	1977	35 ft
3	1978	40 ft
1	1979	40 ft
2	1980	45 ft
1	1984	40 ft
2	1985	40 ft
1	1986	40 ft
1	1986	45 ft
2	1987	40 ft
1	1988	40 ft
1	1988	45 ft
3	1991	40 ft
1	1991	45 ft
1	2006	40 ft
1	2007	40 ft
1	2008	40 ft
1	2014	40 ft
<b>32</b>	<b>Total</b>	

## ATTACHMENT 2 - Map



# ATTACHMENT 3 - Letter

**Hydro One Networks Inc.**

255 Burwood Road  
Box 10209  
Thunder Bay, ON  
P7B 6T8

[www.HydroOne.com](http://www.HydroOne.com)

**John Blackburn**  
Account Executive

Tel: (807)346-3875  
Fax: (807)344-2310  
Cell: (807)628-6665



November 17, 2015

Fort Frances Power Corporation  
320 Portage Avenue,  
P.O. Box 38  
Fort Frances, ON, P9A 3P9  
Attention: Mr. Joerg Ruppenstein

Dear Mr. Ruppenstein,

Re: Hydro One Sale of Section of Crozier DS F2 Feeder to Fort France Power Corporation

This letter is to confirm Hydro One Networks Inc.'s ("Hydro One") agreement to sell specified assets along Frog Creek Road and McIrvine Road to Fort Frances Power Corporation for \$102,466.11 plus HST - \$13,320.59 for a total sale price of \$115,786.70, conditional to the OEB's approval. This also confirms that Fort Frances Power Corporation supports Hydro One to proceed with the Section 86(1)(b) application 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 found in Attachment 1 and supported by the Attachment 2 – Detailed Map, which includes the following:

- A section of Crozier DS F2 14.4kV primary conductor, along Frog Creek Road, from 1775 Frog Creek Road on the east to 1725 McIrvine Road to the west in Fort Frances Township.

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 Fort Frances Power Corporation.

Thank you for your assistance in this matter.

Yours truly,

A handwritten signature in black ink, appearing to read "J. Blackburn".

John Blackburn  
Account Executive  
Key Account Management



Re: Hydro One Sale of Section of Crozier DS F2 Feeder to Fort France Power Corporation  
(Continued)

Acknowledgement

I, Joerg Ruppenstein, Fort Frances Power Corporation, agree with content, terms and conditions set out in this letter regarding the purchase of assets along Frog Creek Road for \$102,466.11 plus HST - \$13,320.59 for a total sale price of \$115,786.70 and support Hydro One to proceed with the Section 86(1)(b) application without a hearing.

  
**ORIGINAL SIGNED BY JOERG RUPPENSTEIN**

Per: \_\_\_\_\_  
Joerg Ruppenstein  
President and CEO  
Fort Frances Power Corporation  
I have authority to bind the Corporation.