

Hydro One Networks Inc.

7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5393
Fax: (416) 345-5866
Joanne.Richardson@HydroOne.com

Joanne Richardson

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

March 14, 2016

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

Dear Ms. Walli:

Hydro One Networks' Request for Leave to Sell Assets to Bell Canada in Owen Sound

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 Bell Canada. 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 JOANNE RICHARDSON

Joanne Richardson

Attachment

cc Nick Kellar – Bell Canada



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, South Tower, Toronto, M5G 2P5
Phone:	416-345-5405
Fax:	416-345-5866
Email:	Regulatory@HydroOne.com

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

Name of other party:	Bell Canada
Name of Primary Contact:	Nick Kellar
Title/Position:	Implementation Manager
Address of Head Office:	870 4t Ave E., Owen Sound, ON N4K 2N7
Phone:	519-371-3125
Fax:	519-376-3563
Email :	nicholas.kellar@bell.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 assets consist of 8 poles:

- 2 – 2002 – 40ft
- 3 – 1974 – 40ft
- 1 – 1972 – 40ft
- 2 – 1974 – 35ft

- 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 2569 28th Ave East and run south towards Hwy 26 in Owen Sound (See Attachment 1 – 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 assets will continue to supply the load to the existing customers at the same location as they are being served presently. The proposed sale is an ownership change only for the purpose of maintaining the ownership balance between Bell Canada and Hydro One as per the Joint Use Agreement. As per the Joint Use agreement, if Bell Canada wants to do any work in their prime exchange areas, they must hold ownership of the poles. Hydro One will continue to be on these poles as a tenant.

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

Hydro One

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

Hydro One

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 \$2,993.00 plus \$389.09 HST for a total of \$3,382.09. The sale price is based on the value of the assets as per the agreed upon residual value tables in the Joint Use agreement. The residual values have been modified to remove the cost associated with removing the pole, as identified in the letter signed by Bell Canada agreeing to the sale (Attachment 2 – Letter).

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 2.

REQUEST FOR NO HEARING

PART V:

- 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 transfer of assets is within Bell Canada's prime exchange and it has no material effect on any party other than the purchaser and the seller.

(b) The letter is found in Attachment 2.

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

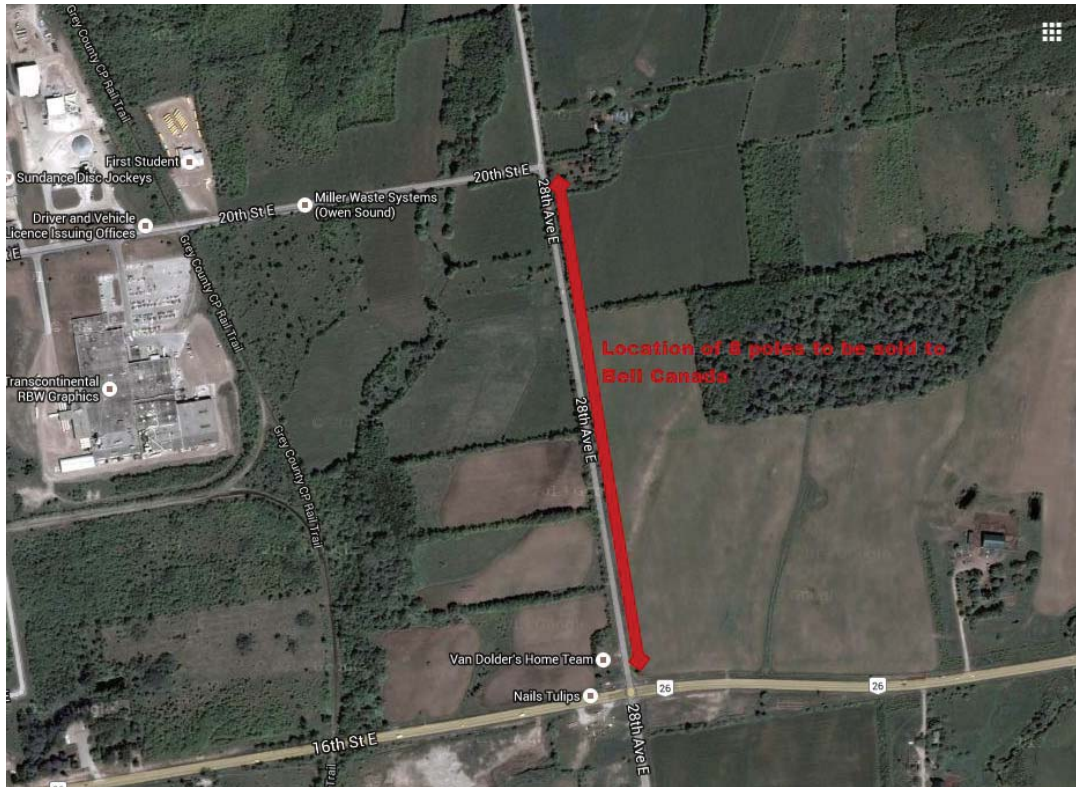
7.1 Certification and Acknowledgment

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 JOANNE RICHARDSON	Print Name of Key Individual Joanne Richardson	Title/Position Director – Major Projects and Partnerships
	Date March-14-16	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- Map



ATTACHMENT 2- Letter

Hydro One Networks Inc.
99 Drummond St. W.
Perth, ON K7H 3E7
www.HydroOne.com

Tel: (888) 332-2249 x3214
Fax: (613) 267-5406
Email: john.boldt@hydroone.com



John Boldt
Manager, Program Integration
Distribution Asset Management, Planning and Operating

November 19, 2015

**Bell Canada
P.P. Box 11673
Station Centre Ville
Montreal, QC, H3C 6EB
Attention: Nic Keller**

RE: SALE OF HYDRO ONE NETWORKS INC. JOINT USE POLES – Owen Sound

This letter is to confirm Hydro One Networks Inc.'s ("Hydro One") agreement to sell 8 poles currently owned by Hydro One to Bell Canada, conditional to the Ontario Energy Board's ("OEB") approval. This also confirms that Bell Canada supports Hydro One to proceed with the Section 86(1)(b) application without a hearing.

The sale will be conditional on the following reassurance being given to Hydro One:

- 1.0** Acceptance of the existing joint use tenants, where applicable, whose tenancy with Hydro One will be subsequently terminated upon the sales transaction.

The 8 poles will be transferred, following the OEB's approval, on an "as is, where is" basis, pursuant to Hydro One's Joint Use agreement. The assets being sold in this transaction are described as follows and supported by the attached map.

- The physical location of the 8 poles to be sold to Bell Canada are located at **2569 28th Ave East** and runs south towards Hwy 26 in Owen Sound as shown in Attachment 1
- Since these assets are being sold on an "as is, where is" basis, the residual value has been modified to remove the cost of pulling the poles
- The following list of poles are to be sold to Bell Canada:

Asset	Year	Quantity	Residual Value (Per Unit)	Sale Price
40 ft, wood pole	2002	2	\$904.00	\$1,808.00
40 ft, wood pole	1974	3	\$220.00	\$660.00
40 ft, wood pole	1972	1	\$171.00	\$171.00
35 ft, wood pole	1974	2	\$177.00	\$354.00
Total Number of Poles to be sold		8	Subtotal	\$2,993.00
			HST	\$389.09
			Total Cost	\$3,382.09

If you are in agreement with these conditions of the sale of the 8 poles, 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 from the OEB to transfer the 2 poles to Bell Canada.

Thank you for your assistance in this matter.

Yours truly,



John Boldt
Manager, Program Integration
Hydro One Networks Inc.

Acknowledgement

I, Nic Keller, of Bell Canada, agree with content, terms and conditions set out in this letter regarding the sale of 8 poles currently owned by Hydro One to Bell Canada and support Hydro One to proceed with the Section 86(1)(b) application without a hearing.

Per: Original signed by Nick Kellar
Name: ~~Nic Keller~~ Nick Kellar
Company: Bell Canada

I have authority to bind the corporation.