

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

May 11, 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 PowerStream Inc.

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 PowerStream Inc. 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 Colin Macdonald - PowerStream Inc.



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	<u>Name of Applicant</u> 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, 7 th Floor, Toronto, ON, M5G 2P5 Phone: 416-345-5405 Fax: 416-345-5866 Email: regulatory@hydroone.com
1.2	<u>Other Party to the Transaction</u> (If more than one attach a list) Name of other party: PowerStream Inc. Name of Primary Contact: Colin Macdonald Title/Position: Senior Vice President, Regulatory Affairs & Customer Service Address of Head Office: 161 Cityview Boulevard, Vaughan, ON, L4H 0A9 Phone: 905-532-4649 Fax: 905-532-4404 Email: colin.macdonald@powerstream.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 a section of Midhurst TS M3 feeder comprised of 81 poles, one (1) air break switch (B2M3-M4), two (2) in-line disconnects (IL-MD and LLO-FD) and approximately 5.0 km of 3-phase overhead conductor currently owned by Hydro One Networks Inc. ("Hydro One") to PowerStream Inc. ("PowerStream"). See Attachment 1 for the list of poles.

- 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 is primarily located within PowerStream's service territory. The assets are located on Dobson Road from Sunnidale Road south to the City of Barrie boundary, south from the City boundary along Miller Drive to Tiffin Street to normal open point LLO-FD, and west on County Road 90 to PowerStream's openers LLO-AC.

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 PowerStream'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.

PowerStream's customers

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

PowerStream'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 of \$284,000.00 plus \$36,920.00 (HST) represents a negotiated commercial value for the section of the Midhurst 44 kV (23M5) feeder. The sale price has been agreed to by both parties, as indicated in the consent letter, attached to this application as "Attachment 3". This sale price ensures that rate payers are kept whole.

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.

Bell Canada and Rogers are currently joint use occupants on the poles and are paying joint use to Hydro One. Hydro One has given Bell Canada the "first-right of refusal" as per the Joint Use agreement and Bell Canada has declined the purchase, see Attachment 4. After the sale of the assets the occupants will pay joint use to PowerStream. The sale has no other material effect on any third party other than the purchaser and seller.

See Attachment 4 – Bell Canada's Consent Letter

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 proposed sale of section of the Midhurst TS M3 feeder comprised of approximately 5.0km of 3-phase conductor including 81 poles and associated hardware are entirely within the purchaser'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 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.

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 May 11, 2016	Company Hydro One Networks Inc.

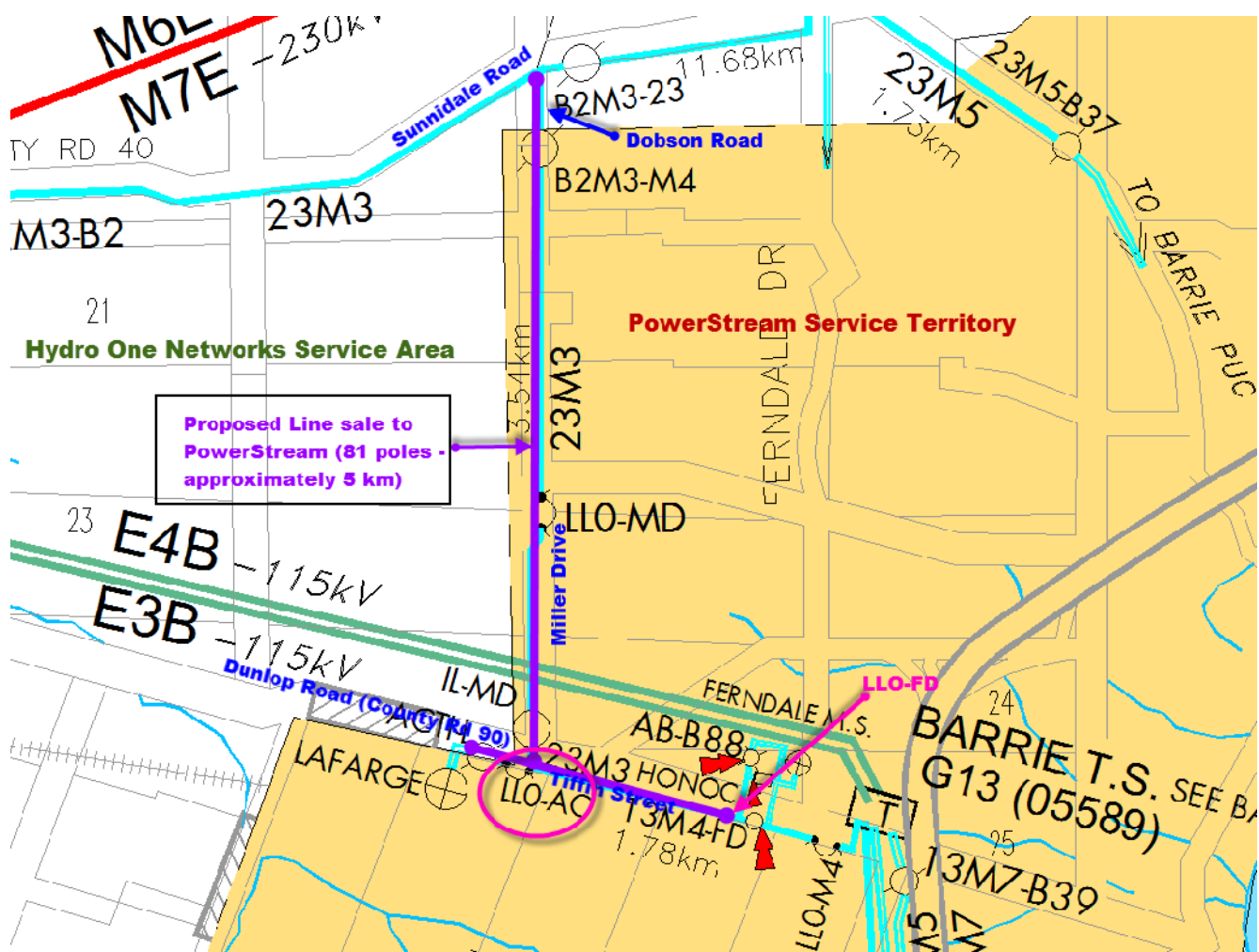
(Must be signed by a key individual. A key individual is one that is responsible for executing the following functions for the applicant: matters related to regulatory requirements and conduct, financial matters and technical matters. These key individuals may include the chief executive officer, the chief financial officer, other officers, directors or proprietors.)

ATTACHMENT 1

List of Poles

Attachment 1 - Midhurst TS M3 - Sale of 81 Hydro One Poles

BARCODE#	YEAR	HEIGHT &CLASS	BARCODE#	YEAR	HEIGHT &CLASS	BARCODE#	YEAR	HEIGHT &CLASS
AJ4FQC	1968	50' CL3	AJ4FMJ	1975	55' CL 4	AJD49P	1985	50' CL 3
CUDV2J	1971	40' CL3	AJ4FKY	1975	55' CL 4	AJ4GWK	1985	50' CL3
AJ4EBB	1971	45' CL3	AJD45U	1975	55' CL 4	AJ4GXP	1985	50' CL3
AJ4LDN	1971	45' CL3	AJ4EEQ	1975	55' CL4	AJ4GYU	1985	50' CL3
AJ4GJX	1971	45' CL3	AJ4XR4	1975	55' CL4	AJD4AC	1985	50' CL3
AJ4GHN	1971	50' CL3	AJ4EGA	1975	55' CL4	AJ4GMM	1985	50' CL3
AJ484J	1972	45' CL 3	AJ4FGA	1975	55' CL4	AJ4GNR	1985	50' CL3
AJD5CQ	1973	45' CL 3	AJ4FNN	1975	55' CL4	AJ4FYQ	1986	55' CL3
AJD5DV	1973	50' CL3	AJ4AZB	1975	55' CL4	AJD44P	1987	55' CL 4
AJD42F	1973	50' CL3	AJ4FXL	1975	60' CL3	AJD48J	1992	60' CL3
AJ4FWG	1973	50' CL3	AJD76L	1975	60' CL3	CUDUZX	2005	30' CL3
AJD3TP	1973	55' CL 4	AJD77Q	1975	60' CL3	CLUDUYS	2005	50' CL3
AJD3UU	1973	55' CL 4	AJD5YW	1975	60' CL3	CUDUXN	2005	50' CL3
AJ4EAW	1973	55' CL 4	AJD5ZB	1975	60' CL3	CUCYYF	2005	50' CL3
AJ4E9J	1973	55' CL 4	AJD3LB	1975	60' CL3	CUCY4C	2005	50' CL3
AJ4ECG	1973	55' CL 4	AJD3ZT	1980	50' CL 3	BS8VZU	2014	55' CL 1
AJ4AYW	1973	55' CL3	AJD5XR	1980	50' CL3	BVZX2G	2014	55' CL 1
AJD64X	1973	55' CL3	AJD62N	1980	50' CL3	BVZXAD	2014	55' CL 1
AJD65C	1973	55' CL3	AJ4GFD	1980	50' CL3	BS8UZJ	2014	55' CL1
AJD66H	1973	55' CL3	AJD5XR	1980	50' CL3	BS8UYD	2014	55' CL1
AJD3MG	1973	55' CL3	AJ4GGJ	1980	50' CL3	BVVRXE	2014	55' CL1
AJD3NL	1973	55' CL3	AJ4FRH	1980	50' CL3			
AJD3QA	1973	55' CL4	AJ4FTR	1980	50' CL3			
AJD3RF	1973	55' CL4	AJ4FVB	1980	50' CL3			
AJD47E	1975	50' CL3	AJD63S	1980	65' CL3			
AJD5EA	1975	50' CL4	AJ4FUW	1980	65' CL3			
AJD5WM	1975	50' CL4	AJ4GUA	1985	45' CL4			
AJD3SK	1975	55' CL 4	AJ4GSQ	1985	45' CL 4			
AJ4E8D	1975	55' CL 4	AJ4GPB	1985	45' CL4			
AJ4EDL	1975	55' CL 4	AJ4QQG	1985	45' CL4			



ATTACHMENT 3

PowerStream's Consent Letter

Hydro One Networks
483 Bay Street
Toronto, ON. M5G 2P5
Key Accounts Management
Tel: (647) 530-4378
E-mail: Harnet.Panesar@HydroOne.com



December 16, 2015

Phil Dubeski
PowerStream Inc.
161 Cityview Blvd.
Vaughan, Ont., L4H 0A9

Re: Sale of Asset – Portion of Midhurst M3

Dear Mr. Dubeski;

This letter is to confirm PowerStream Inc's (PSI) interest in purchasing eighty-one (81) Poles, one (1) air break switch (B2M3-M4), two (2) In-Line Disconnects (IL-MD & LLO-FD) and approximately 15,000 meters of conductor and other hardware associated with the conductor and poles from Hydro One Networks Inc. (Hydro One) at a purchase price of \$284,000.00 (plus HST). Please indicate if PowerStream Inc. accepts the purchase price and wishes to conclude the transaction.

The foregoing purchase price does not include any real-estate cost involved in transferring or discharging any easements or other land rights which may be in place. Such costs are the purchaser's responsibility and details would be addressed if there is an acceptance of the price by PSI.

The sale will be conditional on the following reassurances 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.
- 2.0 The assumption of any existing or new easements and railway crossings required for the poles and anchors.
- 3.0 PSI supports HONI's Application Under Section 86(1)(b) of the *Ontario Energy Board Act, 1998* that with OEB approval these assets may be transferred to the ownership of PSI. Also, PSI supports HONI request to process this Application without a hearing.

After PSI acknowledges its interest in purchasing the assets, Hydro One will seek approval of the sale under Section 86 of the OEB Act, as applicable.

The assets being sold do not serve any Hydro One customers. The assets are located on Dobson Road, from Sunnidale Rd south to the City of Barrie Boundary, south from the City boundary along Miller Drive to Tiffin Street, east on Tiffin Street to normal open point LLO-FD, and west on County Rd 90

to PSI openers LLO-AC.. The approximate installation dates of the 81 poles are tabulated on the following pages. The assets will be sold following OEB approval, on an "as is, where is" basis.

BARCODE#	YEAR	HEIGHT & CLASS
AJ4FQC	1968	50' CL3
CUDV2J	1971	40' CL3
AJ4EBB	1971	45' CL3
AJ4LDN	1971	45' CL3
AJ4GJX	1971	45' CL3
AJ4GHN	1971	50' CL3
AJ484J	1972	45' CL 3
AJD5CQ	1973	45' CL 3
AJD5DV	1973	50' CL3
AJD42F	1973	50' CL3
AJ4FWG	1973	50' CL3
AJD3TP	1973	55' CL 4
AJD3UU	1973	55' CL 4
AJ4EAW	1973	55' CL 4
AJ4E9J	1973	55' CL 4
AJ4ECG	1973	55' CL 4
AJ4AYW	1973	55' CL3
AJD64X	1973	55' CL3
AJD65C	1973	55' CL3
AJD66H	1973	55' CL3
AJD3MG	1973	55' CL3
AJD3NL	1973	55' CL3
AJD3QA	1973	55' CL4
AJD3RF	1973	55' CL4
AJD47E	1975	50' CL3
AJD5EA	1975	50' CL4
AJD5WM	1975	50' CL4
AJD3SK	1975	55' CL 4
AJ4E8D	1975	55' CL 4
AJ4EDL	1975	55' CL 4
AJ4FMJ	1975	55' CL 4
AJ4FKY	1975	55' CL 4
AJD4SU	1975	55' CL 4
AJ4EEQ	1975	55' CL4
AJ4XR4	1975	55' CL4
AJ4EGA	1975	55' CL4
AJ4FGA	1975	55' CL4
AJ4FNN	1975	55' CL4
AJ4AZB	1975	55' CL4

AJ4FXL	1975	60' CL3
AJD76L	1975	60' CL3
AJD77Q	1975	60' CL3
AJD5YW	1975	60' CL3
AJD5ZB	1975	60' CL3
AJD3LB	1975	60' CL3
AJD3ZT	1980	50' CL 3
AJD5XR	1980	50' CL3
AJD62N	1980	50' CL3
AJ4GFD	1980	50' CL3
AJD5XR	1980	50' CL3
AJ4GGJ	1980	50' CL3
AJ4FRH	1980	50' CL3
AJ4FTR	1980	50' CL3
AJ4FVB	1980	50' CL3
AJD63S	1980	65' CL3
AJ4FUW	1980	65' CL3
AJ4GUA	1985	45' CL4
AJ4GSQ	1985	45' CL 4
AJ4GPB	1985	45' CL4
AJ4GQG	1985	45' CL4
AJD49P	1985	50' CL 3
AJ4GWK	1985	50' CL3
AJ4GXP	1985	50' CL3
AJ4GYU	1985	50' CL3
AJD4AC	1985	50' CL3
AJ4GMM	1985	50' CL3
AJ4GNR	1985	50' CL3
AJ4FYQ	1986	55' CL3
AJD44P	1987	55' CL 4
AJD48J	1992	60' CL3
CUDUZX	2005	30' CL3
CLUDUYS	2005	50' CL3
CUDUXN	2005	50' CL3
CUCYYF	2005	50' CL3
CUCY4C	2005	50' CL3
B58VZU	2014	55' CL 1
BVZX2G	2014	55' CL 1
BVZXAD	2014	55' CL 1
B58UZI	2014	55' CL1
B58UYD	2014	55' CL1
BVVRXE	2014	55' CL1

If you are in agreement with these conditions of sale, please sign and return this letter at your earliest convenience. On receipt of your signature below, we will begin the process to obtain the necessary internal and OEB approvals to complete the sale.

Yours truly,

ORIGINAL SIGNED BY HARNEET S. PANESAR

Harneet S. Panesar, P. Eng
Account Executive
Hydro One

Acknowledgement:

I agree with the terms and conditions set out in this letter dated, December 16, 2015 regarding the purchase of 81 Poles, any associated hardware and conductor from Hydro One for a price of \$284,000.00 (plus HST) on an "as is, where is" basis, with no representations or warranties being given (regarding the description of assets). I have authority to bind the corporation.

ORIGINAL SIGNED BY SHELLY CUNNINGHAM

✓ Name: Shelly Cunningham
Title: SVP, Engineering Services
Company: PowerStream Inc.

ATTACHMENT 4

Bell Canada's Consent Letter

Hydro One Networks Inc.
185 Clegg Road
Markham, ON L6G 1B7
www.HydroOne.com

Tel: (888) 332-2249 x3214
Fax: (905) 946-6215
John.Boldt@hydroone.com



John Boldt
Manager, Program Integration
Distribution Development

December 22, 2015

Bell Canada
Floor 3 West Tower
5115 Creekbank Road
Mississauga, ON
L4W 5R1

Attention: Tony Pereira – External Liaison

RE: SALE OF HYDRO ONE NETWORKS INC. JOINT USE POLES – CITY OF BARRIE

This letter has been developed in respect to Hydro One Networks Inc. ("HONI") Joint Use Poles located in the City of Barrie. There are Bell Canada attachments on twenty-two poles. HONI would like to sell these Joint Use Poles to a third party – PowerStream Inc. within 3 months and as such, would like to receive Bell Canada's consent to the proposed sale pursuant to the provisions of the existing Agreement for the Joint Use Poles dated January 1, 2006 (the "Joint Use Agreement"). Please note that HONI intends to include as part of the transfer to the purchaser a condition that the purchaser agrees to continue to allow Bell Canada's attachments thereon for the remainder of the Initial Term (as this term is defined in the Joint Use Agreement).

The section of line proposed for sale is a tap off of the main feeder, which enters the City of Barrie just south of Sunnidale Road and supplies only PowerStream load.

BARCODE NUMBER	HEIGHT	CLS	YEAR	JU - Bell	Bell Route #	ROAD
AJD3TP	55	4	1975	Yes		Miller Rd., Sproule to Edgehill
AJD3SK	55	4	1975	Yes		Miller Rd., Sproule to Edgehill
AJD3RF	55	4	1975	Yes		Miller Rd., Sproule to Edgehill
AJD3QA	55	4	1975	Yes		Miller Rd., Sproule to Edgehill
AJD3NL	55	4	1975	Yes		Miller Rd. North of Edge Hill
AJ4FQC	60	3	1969	Yes	A0-1	Between Miller Rd. and Dobson
AJ4AYW	60	3	1986	Yes	A0-2	Between Miller Rd. and Dobson
AJ4FYQ	60	3	1986	Yes	A0-3	Between Miller Rd. and Dobson
AJ4FXL	60	3	1975	Yes	A0-4	Between Miller Rd. and Dobson
AJ4FWG	60	3	1970	Yes	A0-5	Between Miller Rd. and Dobson
AJ4FVB	60	3	1987	Yes	A0-6	Between Miller Rd. and Dobson
AJ4FTR	60	3	1986	Yes	A0-7	Between Miller Rd. and Dobson
AJ4FUW	60	3	1960	Yes	A0-8	Between Miller Rd. and Dobson
AJ4FRH	60	3	1973	Yes	A0-9	Between Miller Rd. and Dobson
AJ4FSM	60	3	1973	Yes	A0-10	Between Miller Rd. and Dobson
AJ4GGJ	60	3	1975	Yes	A0-11	Between Miller Rd. and Dobson
AJ4GFD	60	3	1978	Yes	A0-12	Between Miller Rd. and Dobson
AJD3ZT	50	3	1985	Yes	A0-13	Between Miller Rd. and Dobson
AJD42F	50	3	1985	Yes	A0-14	Between Miller Rd. and Dobson
AJD62N	50	4	1985	Yes	A0-15	Between Miller Rd. and Dobson
AJD635	55	3	1985	Yes	A0-16	Between Miller Rd. and Dobson
AJD5XR	45	4	1985	Yes	A0-17	Dobson South of Sunnidale

Please document your consent to the above-referenced proposed sale by no later than **January 11, 2016** by signing the form of acceptance at the end of this letter.

Should there be any further concerns, do not hesitate to contact me.

Sincerely:

ORIGINAL SIGNED BY JOHN BOLDT

John Boldt
Manager Program Integration
Hydro One Networks

The undersigned hereby consents to the sale by Hydro One Networks Inc. of Hydro One Networks Inc.'s Joint Use Poles identified above in this letter to a purchaser this 27 day of April, 2016.

Bell Canada

ORIGINAL SIGNED BY DEAN KELLEY

Name: Dean Kelley
Title: Senior Mgr Network Provisioning
I have authority to bind the corporation