

Hydro One Networks Inc.

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Joanne.Richardson@HydroOne.com

Joanne Richardson

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

October 27, 2016

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 Cripath One Corporation

Hydro One Networks seeks the Board's approval under Section 86(1)(b) of *the Ontario Energy Board Act* ("the Act"), for leave to sell assets to Cripath One 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*.

An electronic copy has been submitted using the Board's Regulatory Electronic Submission System.

Should you have any questions on this application, please contact Chris Minhas at (416) 345-5421 or via email at Chris.Minhas@HydroOne.com.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

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:	Chris Minhas
Title/Position:	Regulatory Advisor, Regulatory Affairs
Address of Head Office:	483 Bay Street, 7 th Floor, South Tower, Toronto, M5G 2P5
Phone:	416-345-5421
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:	Cripath One Corporation
Name of Primary Contact:	Richard Marcoux
Title/Position:	President
Address of Head Office:	1477 County Rd 2, PO Box 29, Mallorytown, ON K0E 1R0
Phone:	613-923-5339
Fax:	613-923-1114
Email :	rkmarcoux@gmail.com

- 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 assets to be sold are entirely on land owned by the purchaser, Cripeth One Corporation, doing business as "1000 Islands/Mallorytown KOA Campground" 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 asset sale consists of three (3) overhead transformers as listed below:

1. 1 – 1979 – 25 kVA, serial number – 20-007
2. 1 – 1997 – 25 kVA, serial number – T0810
3. 1 – 2006 – 100 kVA, serial number – 63641-187

- 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 1477 County Road 2, Mallorytown. This is completely within Hydro One's territory, but it is more efficient for the customer to own their own assets to operate moving forward.

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 1000 Islands/Mallorytown KOA Campground.

- 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 \$8,400.76 plus HST \$1,092.10 for a total sale price of \$9,492.86. 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 changes 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 JOANNE RICHARDSON	Print Name of Key Individual Joanne Richardson	Title/Position Director – Major Projects and Partnerships
	Date October 27, 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 - Letters



August 30, 2016

Richard Marcoux
1477 County Rd 2
Mallorytown, ON
KOE 1R0

Dear Richard Marcoux:

Re: KOA Campgrounds

This letter is to advise you of the progress that is being made regarding the sale of Hydro One assets in the KOA Campgrounds. Based on your response to our initial letter, you have elected to purchase all assets excluding meters.

Within the KOA Campgrounds there are 3 transformers and with a net book value of \$8400.76.

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, KOA Campgrounds will proceed with the installation of their own load break switch and bring the electrical system within the park up to 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.

KOA Campgrounds agrees to purchase all assets now owned by Hydro One, within the boundaries of the KOA Campgrounds for a total price of \$8400.76 plus HST, which will be invoiced after the OEB have granted their approval.

Signature of KOA Campgrounds Representative

RICHARD MARCOUX
Name (please print)

[Signature]
Signature

Sept 7, 2016
Date

Thank you for your co-operation in this matter.

Yours truly,

[Signature]

Ursula Martin
Lines Customer Support Clerk
Perth Field Business Centre

Enc Duplicate Copy of Letter
Return Envelope



August 30, 2016

Hydro One Networks Inc.
Perth Field Business Centre
99 Drummond St. W
Perth, Ontario
K7H 3E7

Re: KOA Campgrounds

It is our understanding that approval is required by the Ontario Energy Board (OEB) for the sale of assets by Hydro One. KOA Campgrounds 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.

RICHARD MARCOW
Name (Owner)

[Signature]
Signature

Sept 7, 2016
Date

Name (Owner)

Signature

Date

KOA Campgrounds
1477 County Rd 2
Mallorytown, ON (Front of Yonge)

ATTACHMENT 2 - Maps

