

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

January 6, 2017

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 Distribution Assets to Bell Canada

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 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*.

An electronic copy of this has been filed through the Ontario Energy Board's Regulatory Electronic Submission System (RESS).

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 Analyst - Regulatory Affairs
Address of Head Office:	483 Bay Street, 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:	Bell Canada
Name of Primary Contact:	Tim Beachey
Title/Position:	Network Provisioning Specialist
Address of Head Office:	252 McIntyre St., North Bay, ON P1B 2Y7
Phone:	705-783-4173
Fax:	NA
Email :	timothy.beachey@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 100 poles. Please see Attachment 1 –Asset Listing, for asset locations and 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.

The assets are located in Hydro One's service territory, in the Town of Collingwood at various locations as shown in Attachment 2 Maps – Location of Assets.

- 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 assets will continue to be on these poles with use as a tenant.

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

Hydro One customers are currently served by the assets.

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

Hydro One customers are to served by the assets after the transaction and into the foreseeable future.

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 \$158,904.00 plus \$20,657.52 HST for a total of \$179,561.52. 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, see Attachment 3- Bell Canada Consent 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.

The recipient's written consent to the transfer of the pole assets is contained within **in Attachment 3- Bell Canada Consent Letter**.

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 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. Hydro One customer's will continue to be served load.**
- (b) **Attachment 3- Bell Canada Consent Letter, contains Bell Canada's written consent to application for the asset sales without an OEB hearing.**

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	Print Name of Key Individual Joanne Richardson	Title/Position Director – Major Projects and Partnerships
	Date January-6-17	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
Asset Listing

Attachment 1 - Asset Listing

County Road 124

Pole Bar Code	Year	Description of Asset	Resid. Value
BATXYL	2006	40' pole	\$ 2,266.00
AD64BF	1971	65' pole	\$ 975.00
AD654R	1971	55' pole	\$ 794.00
AD64YQ	1971	55' pole	\$ 794.00
Total			\$ 4,829.00

Concession Rd 7

Pole Bar Code	Year	Description of Asset	Resid. Value
BVUFRB	2011	45' pole	\$ 2,810.00
AVVDUK	1988	45' pole	\$ 1,589.00
CUDSAU	2004	40' stub pole	\$ 2,173.00
AVVDVP	1960	35' pole	\$ 420.00
AVVDWU	1984	40' pole	\$ 1,251.00
AVVDXZ	1984	40' pole	\$ 1,251.00
AVVDYE	1985	40' pole	\$ 1,297.00
Total			\$ 10,791.00

Poplar Side Road, east of Sixth Line

Pole Bar Code	Year	Description of Asset	Resid. Value
BVZ8TW	2011	50' pole	\$ 3,023.00
BVZ8SR	2011	45' pole	\$ 2,810.00
BS93LN	2010	40' pole	\$ 2,450.00
CUDQFL	2010	45' pole	\$ 2,757.00
Total			\$ 11,040.00

Caddo Drive

Pole Bar Code	Year	Description of Asset	Resid. Value
AHXSXY	1967	35' pole	\$ 461.00
AHXSUW	1967	35' pole	\$ 461.00
AHXSVB	1967	35' pole	\$ 461.00
AHXSWG	1967	30' stub pole	\$ 460.00
AHXSXL	1967	35' pole	\$ 461.00
AHXSQY	1967	35' pole	\$ 461.00
AHXSZV	1961	30' stub pole	\$ 420.00
AHXT2H	1966	40' pole	\$ 420.00
AHXT3M	1967	30' stub pole	\$ 460.00
AHXT4R	1975	35' pole	\$ 793.00
AHXT5W	1967	30' stub pole	\$ 460.00
AHY7UR	1975	35' pole	\$ 793.00
AHY5UJ	1988	45' pole	\$ 1,589.00
Total			\$ 7,700.00

Nottawasaga 36/37 Side Road, East of Hwy 26

Pole Bar Code	Year	Description of Asset	Residual Value
BM67CP	2006	45' pole	\$ 2,545.00
AW64LP	1985	30' stub pole	\$ 1,181.00
AWJDHP	1994	35' stub pole	\$ 1,580.00
BM66SN	2006	45' pole	\$ 2,545.00
AW5WNG	1994	30' stub pole	\$ 1,580.00
ALAMVU	2006	40' pole	\$ 2,266.00
ALALWV	2006	40' pole	\$ 2,266.00
CVXSAE	2014	40' pole	\$ 2,635.00
AW5WLW	1968	35' pole	\$ 503.00
AWJCFB	1976	35' stub pole	\$ 834.00
BM66RJ	2006	45' pole	\$ 2,545.00
AW5WKR	1970	30' stub pole	\$ 580.00
AWJCHL	1990	45' pole	\$ 1,695.00
AW5ZDU	1969	30' stub pole	\$ 540.00
AL9SRA	2004	40' pole	\$ 2,173.00
AL9SPQ	2004	40' pole	\$ 2,173.00
CUCYXA	2004	35' stub pole	\$ 1,995.00
AL9SQV	2004	40' pole	\$ 2,173.00
AWJDLJ	2004	40' pole	\$ 2,173.00
AW5YFA	2003	40' pole	\$ 2,127.00
AW62MM	1978	45' pole	\$ 1,057.00
AHH68Z	2006	45' pole	\$ 2,545.00
CL9G XK	2011	45' pole	\$ 2,810.00
ALALXA	2006	40' pole	\$ 2,266.00
AWJDKE	1993	40' pole	\$ 1,666.00
AW5XWD	1985	40' pole	\$ 1,297.00
AYFNWS	2006	35' stub pole	\$ 2,078.00
BATXXG	2006	40' pole	\$ 2,266.00
AHH67U	2006	40' pole	\$ 2,266.00
AW62GJ	1956	35' pole	\$ 420.00
Total			\$ 54,780.00

Nottawasaga 36/37 Side Road, West of Hwy 124

Pole Bar Code	Year	Description of Asset	Residual Value
AWJAXF	1977	35' pole	\$ 876.00
ALBHRJ	2006	35' stub pole	\$ 2,078.00
AWJB2B	1976	35' pole	\$ 834.00
BM5ZQP	2006	40' pole	\$ 2,266.00
AWJDMP	1979	35' stub pole	\$ 959.00
AWJCJV	1976	35' pole	\$ 834.00
AWJ95G	1976	35' pole	\$ 834.00
AWJAZP	1976	35' pole	\$ 834.00
CUCZXE	2009	40' pole	\$ 2,404.00
CUCZYJ	2009	35' stub pole	\$ 2,202.00
AWJAVV	1978	40' pole	\$ 917.00
BW2K5H	2015	40' pole	\$ 2,681.00
AWJAYK	1978	40' pole	\$ 974.00
ALBHSP	2006	35' stub pole	\$ 2,078.00
AWJASG	1970	35' pole	\$ 586.00
ALBHQE	2006	35' stub pole	\$ 2,078.00
AWJARB	1966	35' pole	\$ 420.00
BVZ8RM	2009	40' pole	\$ 2,404.00
CQAGHQ	2009	40' stub pole	\$ 2,404.00
AWJD3P	1991	40' pole	\$ 1,574.00
AWJDEA	1991	40' stub pole	\$ 1,574.00
AWJ9MW	1975	35' pole	\$ 793.00
AHH6BX	2006	35' pole	\$ 2,078.00
AWJ94B	2002	40' pole	\$ 2,081.00
ALBHNP	2006	35' stub pole	\$ 2,078.00
AWJ9JH	1982	35' stub pole	\$ 1,083.00
AWJ93W	1976	35' pole	\$ 834.00
ALAMEN	2006	40' pole	\$ 2,266.00
ALALTG	2006	35' pole	\$ 2,078.00
AWJ8YA	1990	40' pole	\$ 1,527.00
AWJ9FN	1989	40' stub pole	\$ 1,481.00
AWJ8XV	1953	30' pole	\$ 420.00
AHH6AS	2006	35' pole	\$ 2,078.00
CA25MW	2011	40' pole	\$ 2,496.00
CA25NB	2011	35' stub pole	\$ 2,285.00
BM5WUW	2006	35' stub pole	\$ 2,078.00
AWJ8UG	1975	35' pole	\$ 793.00
CUCYMX	2009	40' pole	\$ 2,404.00
BUYYWJ	2008	40' pole	\$ 2,358.00
ALALUL	2006	35' stub pole	\$ 2,078.00
BUYW8B	2009	45' pole	\$ 2,704.00
AWJCUY	1995	45' pole	\$ 1,960.00
Total			\$ 69,764.00

ATTACHMENT 2
Maps – Location of Assets

Attachment 2 – Maps – Location of Assets

County Road 124



Concession Rd 7



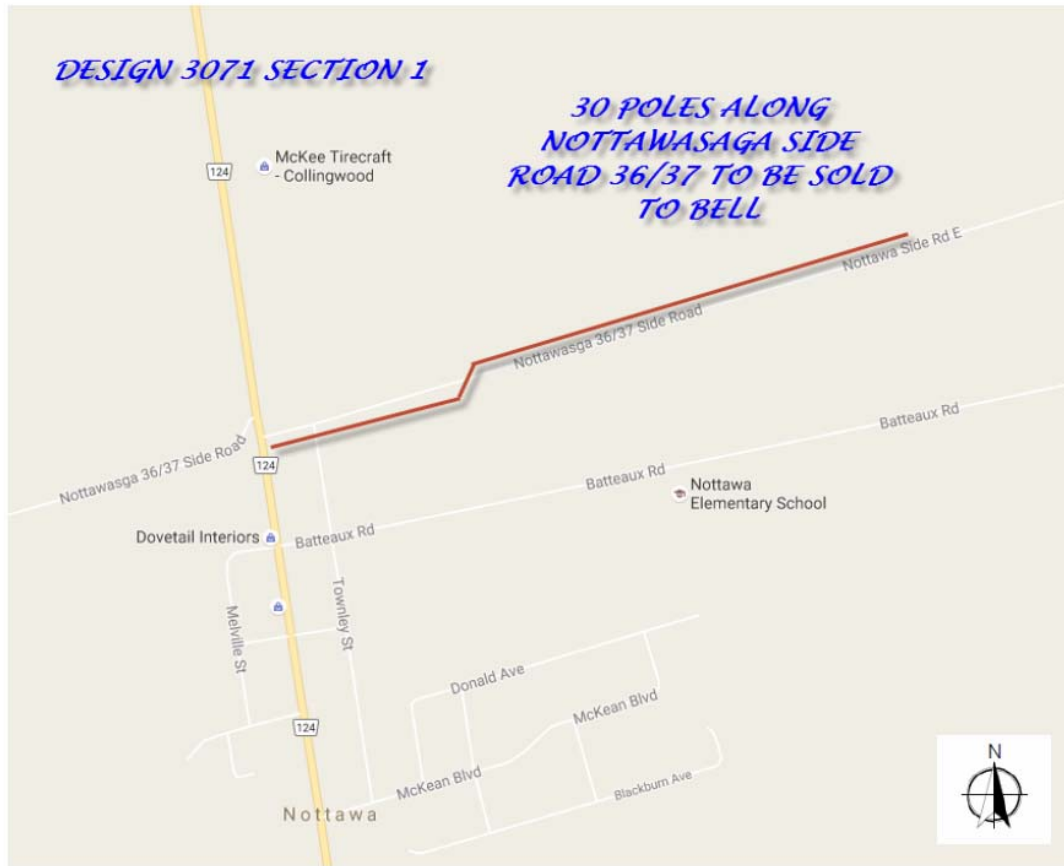
Poplar Side Road, east of Sixth Line



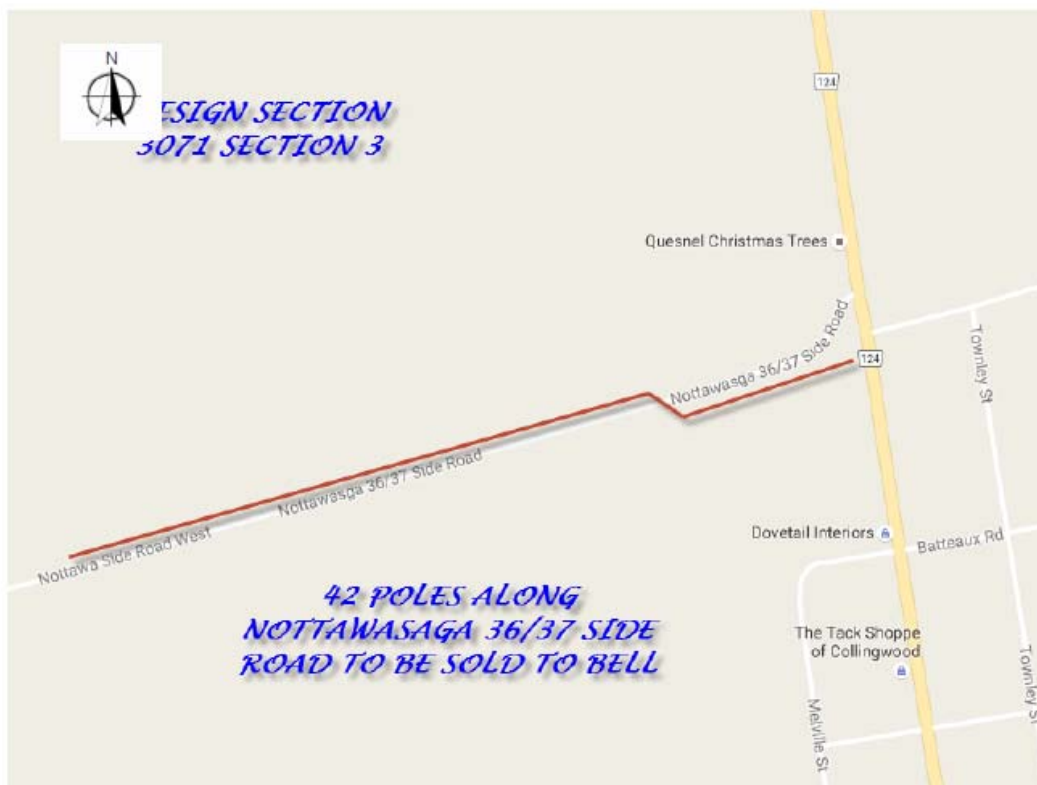
Caddo Drive



Nottawasaga 36/37 Side Road, East of Hwy 26



Nottawasaga 36/37 Side Road, West of Hwy 124



ATTACHMENT 3
Consent 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

December 7, 2016

Bell Canada
252 McIntyre St.
North Bay, ON P1B 2Y7
Attention: Tim Beachey

RE: Sale Of Hydro One Networks Inc. Joint Use Poles – Collingwood

This letter is to confirm Hydro One Networks Inc.'s ("Hydro One") agreement to sell 100 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 100 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 located in Collingwood in various locations and details of the assets and locations are found in Attachment 1 and 2.

- 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 list of poles to be sold to Bell Canada are found in Attachment 1
- The sale price is \$158,904.00 plus \$20,657.52 HST for a total of \$179,561.52
- The physical location of the 100 poles to be sold to Bell Canada are located in Collingwood at various locations and are shown in Attachment 2

If you are in agreement with these conditions of the sale of the 100 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 poles to Bell Canada.

Thank you for your assistance in this matter.

Yours truly,

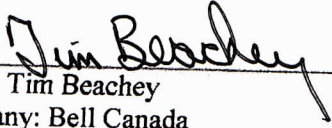
A handwritten signature in blue ink that reads "John Boldt".

John Boldt
Manager, Program Integration
Hydro One Networks Inc.

Acknowledgement

I, Tim Beachey, of Bell Canada, agree with content, terms and conditions set out in this letter regarding the sale of 100 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:


Name: Tim Beachey

Company: Bell Canada

I have authority to bind the corporation.