

Hydro One Networks Inc.

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483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345-5393
Fax: (416) 345-6833
Joanne.Richardson@HydroOne.com



Joanne Richardson

Director – Major Projects and Partnerships
Regulatory Affairs

BY COURIER

January 16, 2018

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 to Sell 58 poles on Highview Drive in the City of St. Thomas

Hydro One Networks seeks the Board's approval under Section 86(1)(b) of the Ontario Energy Board Act ("the Act"), to sell 58 poles currently owned by Hydro One to St. Thomas Energy 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.

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 Pasquale Catalano at (416) 345-5405 or via email at Pasquale.Catalano@HydroOne.com.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson



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: Name of Primary Contact: Title/Position: Address of Head Office: Phone: Fax: Email:	Hydro One Networks Inc. Pasquale Catalano Regulatory Advisor, Regulatory Affairs 483 Bay Street, South Tower, 7th Floor, Toronto, ON, M5G 2P5 416-345-5405 416-345-5866 regulatory@hydroone.com
1.2	<u>Other Party to the Transaction</u> (If more than one attach a list) Name of other party: Name of Primary Contact: Title/Position: Address of Head Office: Phone: Fax: Email:	St. Thomas Energy Inc. Rob Kent Chief Operating Officer 135 Edward St., St. Thomas, ON, N5P 4A8 519-631-5550 ext. 5258 519-631-5193 rkent@sttenergy.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

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 the sale of 58 off-road poles on the original section of the Edgeware TS M3 (27M3) feeder in the City of St. Thomas, currently owned by Hydro One Networks Inc. (“Hydro One”) to St. Thomas Energy Inc. (“STEI”). The poles are situated on private property.

See Attachment 1 for a full list of assets that are the subject of the proposed transaction.

- 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 within STEI's service territory. The assets are located on private properties fronting on Highview Drive in the City of St. Thomas. The map provided in Attachment 2 provides further details on the location of the 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.

Upon purchase, these assets will be integrated into STEI's distribution system to better supply its customers.

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

HONI's M3 – 27.6kV circuit used to run on top of these poles and STEI's rural feeder is underbuilt. HONI has rebuilt the M3 – 27.6kV circuit on road allowance and no longer requires this section of poles to service HONI customers. STEI will continue to keep their energized circuit on these poles and serve its customers.

- 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 STEI 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 \$8,800.00 plus \$1,144.00 (HST) for a total sale price of \$9,944.00. The sale price has been agreed to by both parties, as indicated in the consent letter, attached to this application as Attachment 3.

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 is currently a joint use occupant on the poles and is 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. After the sale of the assets Bell Canada will pay joint use to STEI. The sale has no other material effect on any third party other than the purchaser and seller. Bell Canada’s consent letter is provided as Attachment 4.

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 poles is 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 January 16, 2018	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

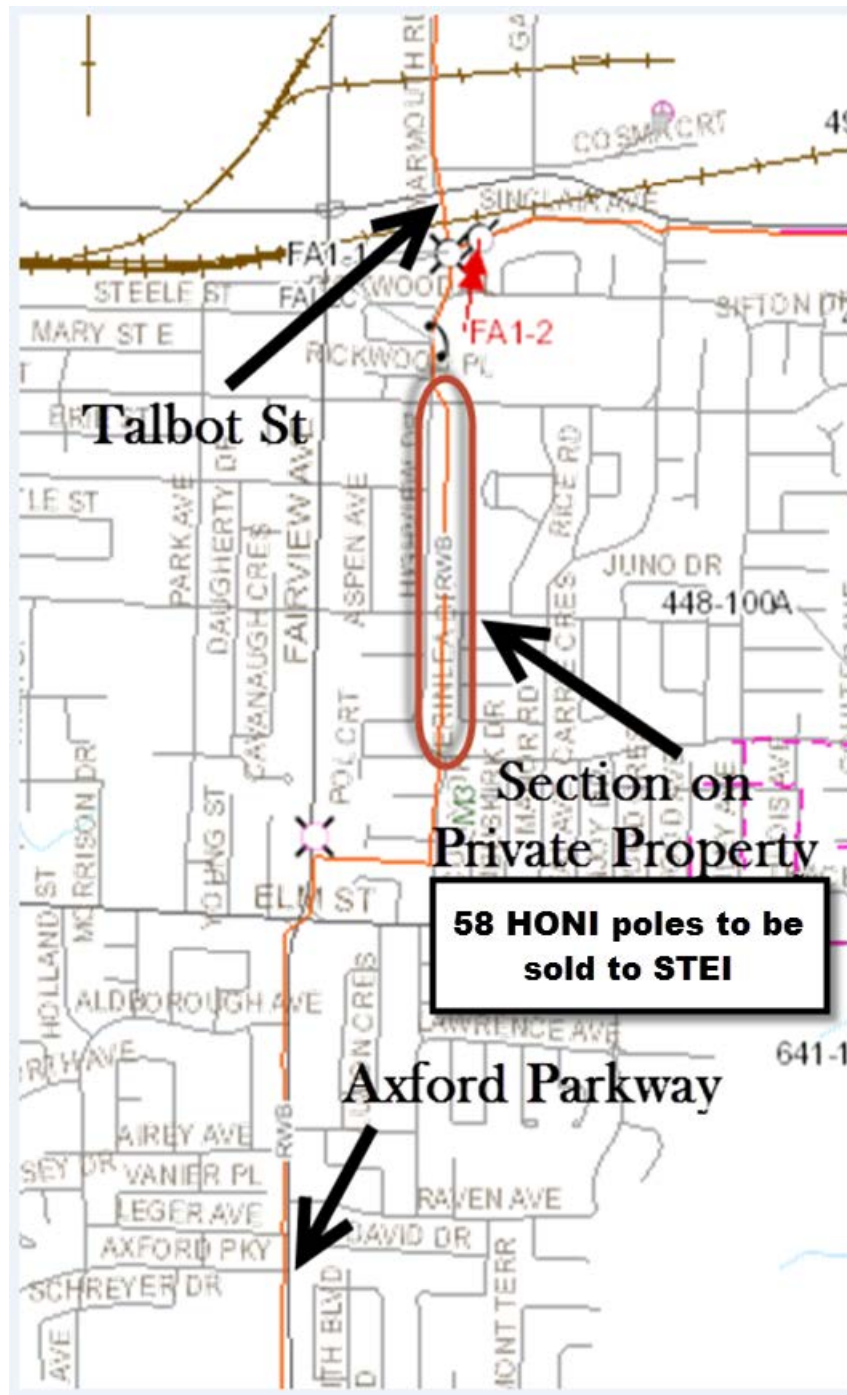
List of Poles

HONI Bar Code	Pole Size (ft.)
BR6QWV	30
BR6PUH	35
BR6PVM	35
BR6PWR	35
BR6PXW	35
BR6PZG	35
BR6Q4C	35
BR6Q5H	35
BR6PEF	35
BR6PJE	35
BR6QQR	35
BR6RJM	35
BR6PYB	40
BR6Q2S	40
BR6Q3X	40
BR6Q6M	40
BR6R4G	40
BR6R5L	40
BR6R8A	40
BR6R9F	40
BR6RAT	40
BR6RBY	40
BR6RCD	40
BR6RDJ	40
BR6REN	40
BR6RFS	40
BR6RHC	40
BR6RKR	40
BR6PSX	45
BR6PTC	45
BR6PDA	45
BR6Q7R	45
BR6R6Q	45
BR6R7V	45
BR6RGX	45
BR6P5D	50
BR6PCV	50
BR6PFK	50
BR6PHU	50
BR6PQN	50

HONI Bar Code	Pole Size (ft.)
BR6PRS	50
BR6QJJ	50
BR6QKN	50
BR6QLS	50
BR6QMX	50
BR6QNC	50
BR6R2W	50
BR6P7N	55
BR6PGP	55
BR6PKJ	55
BR6QPM	55
BR6QRW	55
BR6QSB	55
BR6QZK	55
BR6QUL	60
BR6QVQ	60
BR6QXA	60
BR6QYF	60

ATTACHMENT 2

Map - Proposed 58 HONI Pole Sale to STEI



ATTACHMENT 3

St. Thomas Energy Inc.'s Consent Letter

Hydro One Networks Inc.
483 Bay Street, North Tower, 13th
Floor
Toronto, Ontario M5G 2P5
www.HydroOne.com

Mobile: 647.261.9575
stefanie.pierre@hydroone.com



Dec 15, 2017

Rob Kent
St. Thomas Energy Inc
PO Box 460, Stn Main
135 Edward Street
St. Thomas, ON N5P 4A8

Re: Sale of Joint Use Poles

Dear Mr. Kent,

This letter is to confirm Hydro One Networks Inc.'s ("Hydro One") agreement to sell fifty-eight (58) poles located on a section of the Edgeware TS M3 (27M3) feeder to St. Thomas Energy Inc. ("STEI") for \$8,800 (poles) and \$310 (easements) for a total of \$9,110 plus HST, conditional to the OEB's approval. This also confirms that STEI 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 (once Hydro One remove their assets), pursuant to Hydro One's standard asset purchase and sale agreement. The assets being sold in this transaction are generally described as follows and supported by the attached pdf map:

- Approximately 58 off-road poles in private customers' backyards, on the original Edgeware TS M3 feeder between Talbot Street and Axford Parkway in St. Thomas Energy's territory. (that feeder has since been relocated), see attached map.

The foregoing purchase price includes the cost involved in discharging and transferring of easements.

- Acceptance of the existing joint use tenants, where applicable, whose tenancy with Hydro One will be subsequently terminated upon the sales transaction
- The assumption of any new or existing easements and railway crossings required for the poles and anchors

If you are in agreement with these conditions of sale, please sign and return this letter to me at your earliest convenience. On receipt of this signed letter of consent, we will proceed to obtain formal approval to sell these assets to STEI.

Thank you for your assistance in this matter.


Yours truly,

Stefanie S Pierre, P.Eng
Account Executive

Acknowledgement

I, Rob Kent, agree with content, terms and conditions set out in this letter regarding the purchase of 58 poles (and associated easements) located on a section of the Edgeware TS M3 (27M3) feeder for \$8,800 (poles) and \$310 (easements) for a total of \$9,110 plus HST and support Hydro One to proceed with the Section 86(1)(b) application without a hearing.

Per: ORIGINAL SIGNED BY ROB KENT


Rob Kent, CGA

Chief Operating Officer

St. Thomas Energy Inc

I have authority to bind the Corporation.

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, Asset Optimization (Tx Secondary Land Use
& Dx Joint Use)
Strategy & Integrated Planning

August 17, 2017

Bell Canada
Andrew Zuk, Implementation Manager
100 Dundas St., Floor 4
London, ON
N6A 5B6

RE: Sale Of Hydro One Networks Inc. Joint Use Poles – City of St. Thomas

This letter has been developed in respect to Hydro One Networks Inc. ("HONI") Joint Use Poles located in the City of St. Thomas. There are Bell Canada attachments on five poles. HONI would like to sell these Joint Use Poles to a third party – St. Thomas Energy Inc. ("STEI") 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 proposed sale of assets is embedded within the service territory of STEI which is between Fairview Avenue and Vanbuskirk Drive, just north of Taylor Crescent and south of Paulson Court in the City of St. Thomas as shown on the attached map.

BARCODE NUMBER	HEIGHT	YEAR	JU - Bell
BR6QHY	50	2001	Yes
BR6QJJ	50	2002	Yes
BR6QKN	50	2002	Yes
BR6QLS	50	2002	Yes
BR6QMX	50	2002	Yes

Please document your consent to the above-referenced proposed sale by **August 31, 2017** 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, Asset Optimization (Tx Secondary Land Use & Dx Joint Use)
Strategy & Integrated Planning

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 11 day of ~~SEPTEMBER~~ 2017.

Bell Canada

ORIGINAL SIGNED BY ANDREW ZUK


Name: Andrew Zuk
Title: Implementation Manager

I have authority to bind the corporation