

**Hydro One Networks Inc.**

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

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



**Joanne Richardson**

Director – Major Projects and Partnerships  
Regulatory Affairs

BY COURIER

November 26, 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 for Leave to Sell Distribution Assets to Calabogie Peaks ULC**

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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 Calabogie Peaks ULC. 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 Pasquale Catalano at (416) 345-5405 or via email at [Pasquale.Catalano@HydroOne.com](mailto: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  
27<sup>th</sup> 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](mailto: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](http://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 Advisor, Regulatory Affairs                               |
| Address of Head Office:      | 483 Bay Street, 7 <sup>th</sup> Floor, South Tower, Toronto, M5G 2P5 |
| Phone:                       | 416-345-5405                                                         |
| Fax:                         | 416-345-5866                                                         |
| Email:                       | <a href="mailto:regulatory@hydroone.com">regulatory@hydroone.com</a> |

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

|                          |                                                                  |
|--------------------------|------------------------------------------------------------------|
| Name of other party:     | Calabogie Peaks ULC                                              |
| Name of Primary Contact: | Paul Murphy                                                      |
| Title/Position:          | President                                                        |
| Address of Head Office:  | 30 Barrett Chute Rd., Calabogie, ON K0J 1H0                      |
| Phone:                   | 613-752-2720 ext. 1509                                           |
| Fax:                     | 877-533-5170                                                     |
| Email :                  | <a href="mailto:pmurphy@calabogie.com">pmurphy@calabogie.com</a> |

- 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, Calabogie Peaks ULC, doing business as “Calabogie Peaks Resort” 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 four padmount transformers and three overhead transformers as listed below:

| Transformer Size (kVA) | Type | Serial #   | Transformer Date | Quantity | Sale Price         |
|------------------------|------|------------|------------------|----------|--------------------|
| 300                    | UG   | 1M01139201 | 2013             | 1        | \$11,642.00        |
| 150                    | UG   | N1490-2    | 1986             | 1        | \$1,609.00         |
| 100                    | UG   | 07J806219  | 2007             | 1        | \$3,347.00         |
| 50                     | UG   | 02C1687302 | 2002             | 1        | \$1,403.00         |
| 25                     | OH   | 7200-2     | 1986             | 1        | \$162.00           |
| 25                     | OH   | 7174-24    | 1987             | 1        | \$186.00           |
| 25                     | OH   | 7200-16    | 1986             | 1        | \$162.00           |
|                        |      |            | <b>Total</b>     | <b>7</b> | <b>\$18,511.00</b> |

- 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 30 Barrett Chute Road in Calabogie. 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 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 customer is expanding their facility due to the increased demand and is consolidating the existing connections into a single connection point. The assets will continue to supply the load to the existing customer at the same location as they are being served presently. The assets are useful only to serve Calabogie Peaks Resort.

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 assets will continue to serve the same Hydro One customer. After the sale, the assets 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 \$18,511.00 plus HST \$2,406.43 for a total sale price of \$20,917.43. 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 2.

#### 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 will have no effect on any other customer connected to the feeder. There will be no changes in the operation of the feeder, therefore no change in service to other customers or persons.

(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

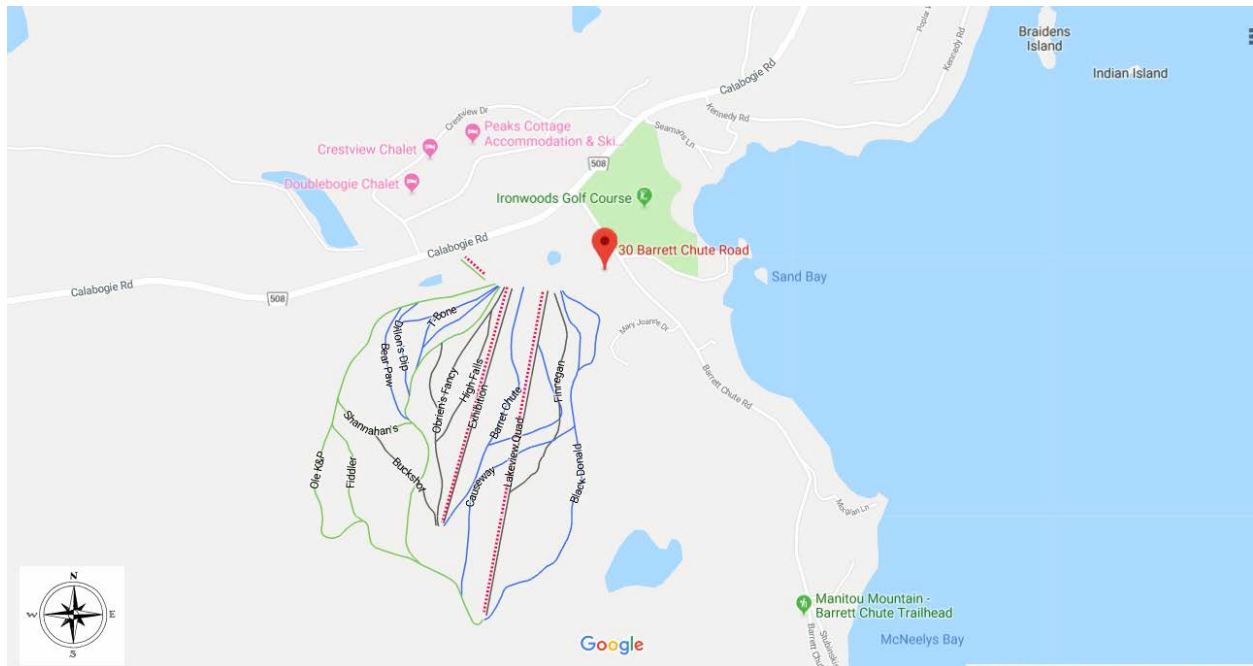
##### 7.1 Certification and Acknowledgment

I certify that the information contained in this application and in the documents provided are true and accurate.

|                                                                         |                                                              |                                                                         |
|-------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------|
| Signature of Key Individual<br><br>ORIGINAL SIGNED BY JOANNE RICHARDSON | Print Name of Key Individual<br><br><b>Joanne Richardson</b> | Title/Position<br><br><b>Director – Major Projects and Partnerships</b> |
|                                                                         | Date                                                         | Company<br><br><b>Hydro One Networks Inc.</b>                           |

(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 - Letters**



October 1, 2018

Calabogie Peaks Inc.  
Attn: Mr. Paul Murphy  
30 Barrett Chute Rd.  
Calabogie, ON  
K0J 1H0

Dear Calabogie Peaks Inc.  
Attn: Mr. Paul Murphy:

**Re: Calabogie Peaks**

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

Within the Calabogie Peaks there are 7 transformers and see attached list with a net book value of \$18,511.00.

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, Calabogie Peaks 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.

Calabogie Peaks agrees to purchase all assets now owned by Hydro One, within the boundaries of the Calabogie Peaks for a total price of \$18,511.00 plus HST, which will be invoiced after the OEB have granted their approval.

Signature of Calabogie Peaks Representative

*Calabogie Peaks ULC*

Original Signed by Paul Murphy

*30 10 18*

Name (please print)

Signature

*President*

Date

Thank you for your co-operation in this matter.

Yours truly,

Original Signed by Jeanette Koeslog

Jeanette Koeslag  
Lines Customer Support Clerk, Planning Dept  
Perth Field Business Centre  
DX Lines Management  
Hydro One Networks Inc.

**LIST OF ASSETS**

| <b>Transformer Size<br/>(kVA)</b> | <b>Type</b> | <b>Serial #</b> | <b>Transformer<br/>Date</b> | <b>Quantity</b> | <b>Sale Price</b>  |
|-----------------------------------|-------------|-----------------|-----------------------------|-----------------|--------------------|
| 300                               | UG          | 1M01139201      | 2013                        | 1               | \$11,642.00        |
| 150                               | UG          | N1490-2         | 1986                        | 1               | \$1,609.00         |
| 100                               | UG          | 07J806219       | 2007                        | 1               | \$3,347.00         |
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| 25                                | OH          | 7200-2          | 1986                        | 1               | \$162.00           |
| 25                                | OH          | 7174-24         | 1987                        | 1               | \$186.00           |
| 25                                | OH          | 7200-16         | 1986                        | 1               | \$162.00           |
|                                   |             |                 | <b>Total</b>                | <b>7</b>        | <b>\$18,511.00</b> |



October 3, 2018

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

**Re: Calabogie Peaks Resort**

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

By Calabogie Peaks ULC  
Paul Murphy  
Name (Owner) President

Original Signed by Paul Murphy

Signature President

30.10.18  
Date

\_\_\_\_\_  
Name (Owner)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Calabogie Peaks Resort  
30 Barrett Chute Rd  
Calabogie, ON  
K0J 1H0