

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



**Joanne Richardson**

Director – Major Projects and Partnerships  
Regulatory Affairs

BY COURIER

March 19, 2019

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 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 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, South Tower, 7<sup>th</sup> Floor, Toronto, M5G 2P5**

Phone:

**416-345-5405**

Fax:

**416-345-5866**

Email:

**[Regulatory@HydroOne.com](mailto: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:

**Matt Best**

Title/Position:

**Access Network Coordinator**

Address of Head Office:

**200 Brady Stl, Civic Sq., Sudbury, ON P3E 3L9**

Phone:

**1-866-202-0662**

Fax:

**705-688-8680**

Email :

**[matt.best@bell.ca](mailto:matt.best@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 50 poles. See Attachment 1 for details.**

### **Attachment 1 –Asset Listing**

- 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 Medora, Muskoka Lakes, as shown in Attachment 2.**

### **Attachment 2 – Maps – Asset Location**

- 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 will continue to be on these poles as a tenant.**

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

**Hydro One**

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

**Hydro One**

### 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 \$42,102.00 plus \$5,473.26 HST for a total of \$47,575.26. 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.**

#### **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.

**(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 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.**  
**(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 <b>Joanne Richardson</b>	Title/Position <b>Director – Major Projects and Partnerships</b>
	Date <b>March-18-19</b>	Company <b>Hydro One Networks Inc.</b>

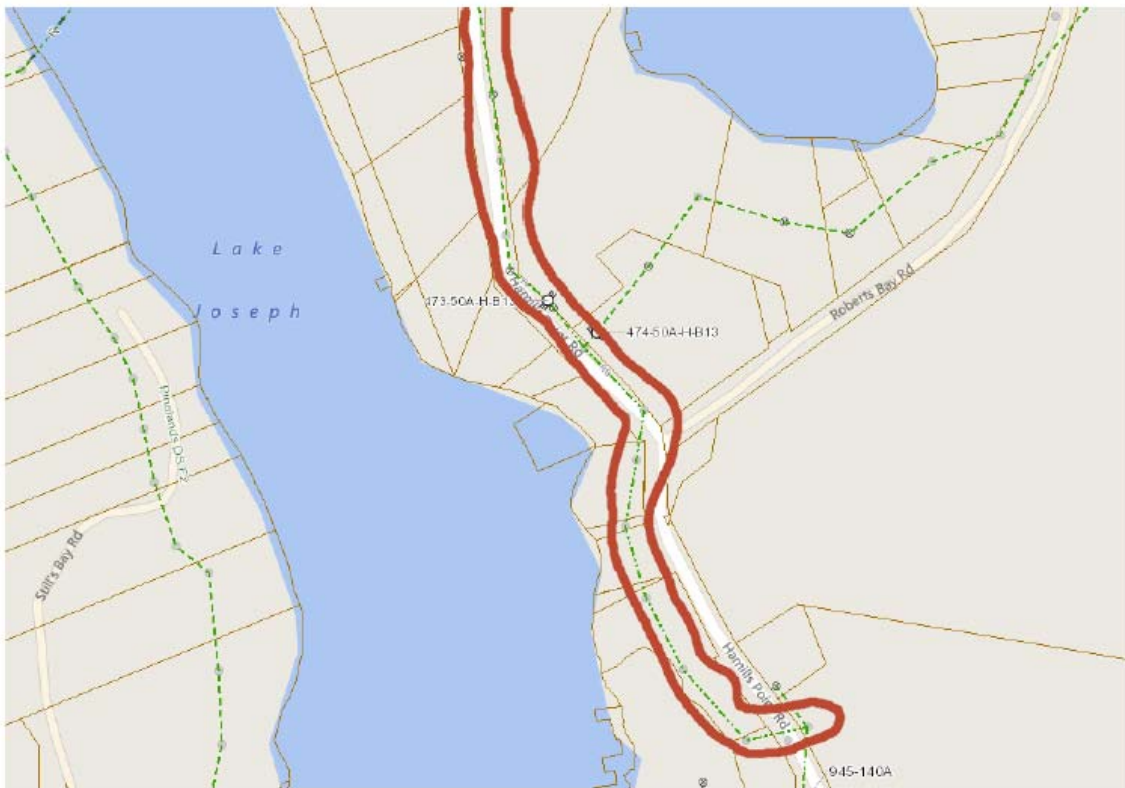
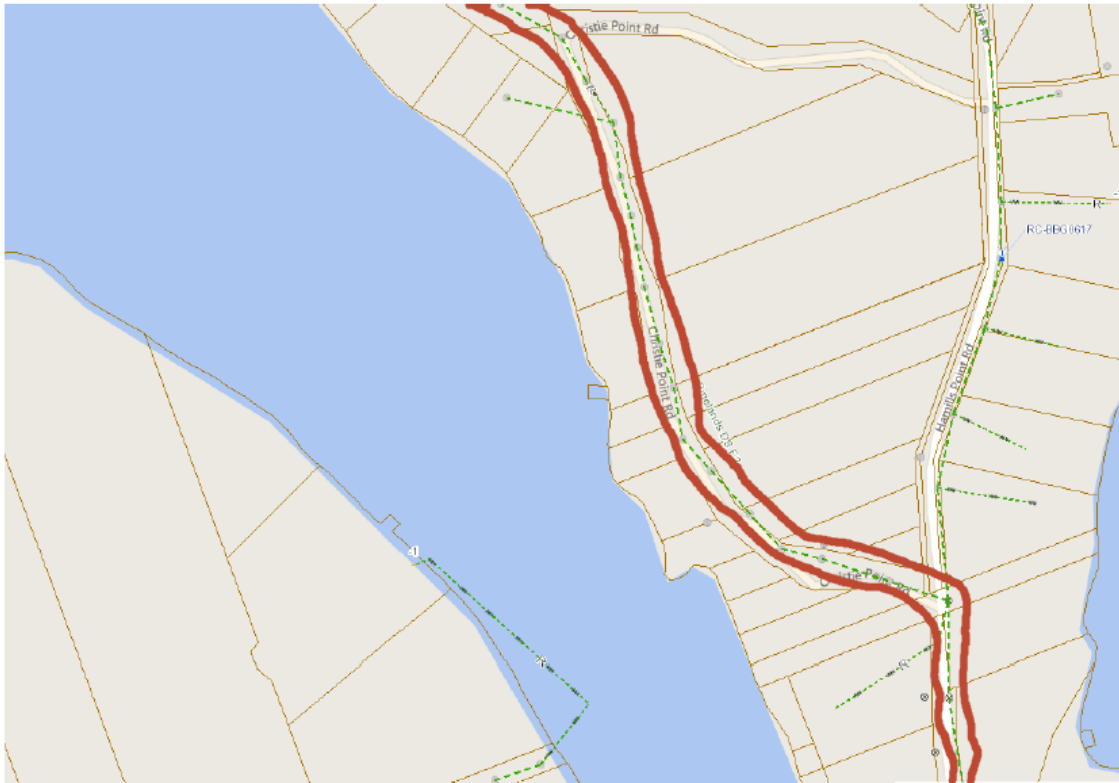
(Must be signed by a key individual. A key individual is one that is responsible for executing the following functions for the applicant: matters related to regulatory requirements and conduct, financial matters and technical matters. These key individuals may include the chief executive officer, the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

# ATTACHMENT 1

## Asset Listing

Bell FTTH Project - Medora - Muskoka Lakes				
BBG-61747865				
Pole ID	Pole Size (feet)	Date of Pole	Quantity	Value (Per Unit)
C262CU	35	1965	1	\$420.00
C262EE	40	1966	1	\$420.00
C262DZ	35	1981	1	\$1,644.00
C262GP	30	1945	1	\$420.00
C262HT	30	1952	1	\$420.00
CNWH3B	45	2012	1	\$6,039.00
C262KJ	30	1955	1	\$420.00
C262MS	30	1987	1	\$2,207.00
C262NX	40	1964	1	\$420.00
C262TB	45	1964	1	\$420.00
C262UG	35	1964	1	\$420.00
C262WQ	35	1981	1	\$929.00
C262XV	40	2004	1	\$3,969.00
C262YA	35	1951	1	\$420.00
C262ZF	35	1951	1	\$420.00
C2634B	35	1948	1	\$420.00
C263SA	35	1948	1	\$420.00
C263TF	35	1958	1	\$420.00
C263UK	40	2000	1	\$1,813.00
C263VP	30	1952	1	\$420.00
C263XZ	35	1952	1	\$420.00
C263YE	35	1952	1	\$420.00
C263ZJ	35	1952	1	\$420.00
C2643A	35	1952	1	\$420.00
C2642V	30	1952	1	\$420.00
C2644F	30	1952	1	\$420.00
C2645K	30	1952	1	\$420.00
C2646P	30	1952	1	\$420.00
C2647U	30	1952	1	\$420.00
C2648Z	30	1952	1	\$420.00
C264AS	30	1962	1	\$420.00
C264BX	30	1982	1	\$947.00
C264CC	35	1962	1	\$420.00
C264DH	35	1962	1	\$420.00
C264EM	35	1962	1	\$420.00
C264FR	35	1998	1	\$1,594.00
C264GW	35	1962	1	\$420.00
C264HB	35	1958	1	\$420.00
C264JL	35	1971	1	\$651.00
C264KQ	35	1954	1	\$420.00
C264LV	30	1962	1	\$420.00
C264MA	35	1962	1	\$420.00
C264NF	45	2004	1	\$2,256.00
C264PP	35	1962	1	\$420.00
C264QU	30	1982	1	\$947.00
C2657Y	35	1970	1	\$498.00
BU3Q6J	45	2013	1	\$2,715.00
C2658D	35	1970	1	\$498.00
C2655P	35	1970	1	\$608.00
C2659J	40	1970	1	\$507.00
50			Total	\$42,102.00







## **ATTACHMENT 3**

### **Consent Letter**

Rossella Fazio  
Manager, Asset Optimization  
Strategy & Integrated Planning

**December 21, 2018**

Bell Canada  
200 Brady St., Civic Sq.,  
Sudbury, ON P3E 3L9

Attention: Matt Best

**RE: Sale of Hydro One Networks Inc. Joint Use Poles – Medora-Muskoka Lakes**

This letter is to confirm Hydro One Networks Inc.'s ("Hydro One") agreement to sell 50 poles currently owned by Hydro One to Bell Canada ("Bell"), conditional to the Ontario Energy Board's ("OEB") approval. This also confirms that Bell supports Hydro One to proceed with the Section 86(1)(b) application without a hearing.

Bell is required to take ownership of the 50 Hydro One poles in Bell's prime exchange area in Medora-Muskoka Lakes, in order for Bell to place new fibre cable.

The proposed sale is an ownership change for the purpose of maintaining the ownership balance between Bell and Hydro One as per the signed Joint Use Agreement ("the Agreement"). Under Article 8 of the Agreement, it dictates that the ownership of Joint Use poles shall continue as is on the basis of an ownership ratio of 60:40 (Hydro One: Bell) in the Province until the Agreement is amended or terminated by either Party. As per the Agreement, if Bell wants to do any work in their prime exchange areas, they must hold ownership of the poles. 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 50 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 on Hamills Point Rd. and Christie Point Rd. in Muskoka Lakes 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 \$42,102.00 plus \$5,473.26 HST for a total of \$47,575.26
- The physical location of the 50 poles to be sold to Bell Canada are located in Muskoka Lakes and are shown in Attachment 2.

If you are in agreement with these conditions of the sale of the 50 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 50 poles to Bell Canada.

Thank you for your assistance in this matter.

Yours truly 

ORIGINAL SIGNED BY  
ROSELLA FAZIO

 Rosella Fazio  
Manager, Asset Optimization  
Strategy & Integrated Planning  
Hydro One Networks Inc.

**Acknowledgement**

I, Matt Best, of Bell Canada, agree with content, terms and conditions set out in this letter regarding the sale of 50 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.

ORIGINAL SIGNED BY MATT BEST  
Per: \_\_\_\_\_  
Name: Matt Best  
Title: Access Network Coordinator  
Company: Bell Canada

I have authority to bind the corporation.

## Attachment 1

Bell FTTH Project - Medora - Muskoka Lakes				
BBG-61747865				
Pole ID	Pole Size (feet)	Date of Pole	Quantity	Residual Value (Per Unit)
C262CU	35	1965	1	\$420.00
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50			Total	\$42,102.00

Attachment 2

