

Hydro One Networks Inc.

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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

July 24, 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 Inc., Request for Leave to Sell Distribution Assets to Silver Birches Resort

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 Silver Birches Resort. 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 question 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 Name of Applicant

Legal name of the applicant:	Hydro One Networks Inc.
Name of Primary Contact:	Pasquale Catalano
Title/Position:	Regulatory Advisor
Address of Head Office:	483 Bay Street, South Tower, Toronto, M5G 2P5
Phone:	416-345-5405
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:	Silver Birches Resort
Name of Primary Contact:	John Opolko
Title/Position:	Owner
Address of Head Office:	372 Queen St. S, Kitchener, ON, N2G 1W7
Phone:	519-743-2670
Fax:	
Email :	john.opolko@yahoo.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

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 asset to be sold is entirely on land owned by the recipient, Silver Birches Resort is 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.

Upon approval, the following assets would be sold:

- One 25 kVA overhead transformers, in-service date: 1950
- One 50 kVA overhead transformer, in-service date: 1982
- 120 metres of primary and secondary overhead conductor, in-service date: 1976
- Three wood poles, in-service date: 1999

- 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 entirely within the grounds owned by the purchaser of the assets. (Please 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 assets are only utilized in servicing the customers within the Silver Birches Resort.

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

The assets will be used in servicing the same customers. The customers are Hydro One customers. Should the sale be approved, a primary metering unit will be installed whereby Hydro One charges Silver Birches Resort, and Silver Birches Resort will become responsible for billing its individual services.

- 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 customers. 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 \$492.08 plus HST. The sale price represents the net book value of the asset.

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) A letter from the proposed recipient consenting to the sale of assets is included as 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 change 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.

Original Signed by Joanne Richardson

Signature of Key Individual

Joanne Richardson

Title/Position

Director – Major Projects and Partnerships

Date

July 17, 2019.

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



April 3, 2018

Mr. John Opolko
Silver Birches Resort
372 Queen Street S
Kitchener, Ontario
N2G 1W7

Dear Mr. John Opolko
Silver Birches Resort:

Re: Additional Service in Travel Trailer Park

Further to your request for a new service at 110 BAY STREET HOWLAND Twp, a Hydro One Representative has visited your property.

The request for an additional service is within a travel trailer park and as such the following conditions apply:

- The Customer will, subject to Ontario Energy Board (OEB) approval, purchase the existing distribution facilities owned by Hydro One within the park boundary, or replace existing distribution facilities at the Customer's expense and own the new facilities.
- The Customer shall supply and install new distribution facilities including transformers etc., as required for the additional service.
- The Customer may only have one point of supply to the property if there is currently more than one.
- Hydro One will do an inventory of all existing assets within the trailer park excluding meters, for the purpose of determining a purchase price for the Customer.
- In conjunction with and prior to the transfer of assets:
 - Hydro One shall remove all existing secondary metering within the park and install Customer supplied jumpers in the meter base and install a cover.
 - Hydro One shall install a primary metering unit at or near the Customer's property limit without charge and consolidate existing contracts into one General Service account
 - Any make ready cost to accommodate the primary metering installation shall be the responsibility of the Customer.
- Owners of private electrical distribution systems will meet all requirements of the Ontario Electrical Safety Code (OESC). The ESA shall prepare a report identifying any modifications to the Distribution System that are required to ensure that the section of the Distribution System to be transferred will comply with the OESC requirements. The ESA report shall be provided to the Customer and Hydro One at no cost.
 - Any non compliance with the OESC will have to be corrected within the follow-up times agreed between the customer and ESA. ESA requires defects to be corrected within 28 days of the date the transfer of assets is completed.
 - As a minimum, a suitable load break switch will be needed at or near the demarcation point to this line.

Please check where appropriate below and sign and return a copy of this letter indicating your interest, or non interest, in pursuing further the purchase of Hydro One assets with due regard to the above conditions. By signing this document and indicating your interest to proceed, you acknowledge that ESA will receive your customer contact information for purposes of completing the report detailed above in accordance with Regulation 22/04 Section 3 - Same, Change of Ownership.



Interested in a price to purchase assets.



NOT interested in purchasing assets thus no addition of service.

John Opolko
Lawyer, Notary Public
 372 Queen St. S.
 Kitchener, Ontario
 Canada, N2G 1W7
 Ph/Fax: 1-519-743-2670

Original Signed By John Opolko

Signature

JOHN OPOLKO
OWNER SILVER BIRCHES RESORT

Date

April 4/18

Upon receipt of this signed letter, if you are interested in a price to purchase assets, or replacing at your expense, Hydro One will complete the inventory of assets and determine a cost to purchase the existing assets and will forward this information to you. Hydro One will also at this time initiate the completion of the ESA report.

We will then ask that you indicate your interest to purchase the assets from Hydro One, replace the assets, at your expense, or terminate discussions regarding the initial request to add a new service. If you elect to move forward, Hydro One will initiate approval from the OEB.

When approval is received we will notify you, in writing, and request payment.

To gather data, price assets, and get OEB approval may take eight to twelve months.

Thank you for your interest. Please call this office at 1-888-835-9444 Ext 2380 if you have any questions regarding this transaction.

Yours truly,

Original Signed By Michele Callahan

Michele Callahan
 Lines Customer Support Clerk
 Sudbury FBC

Enc Duplicate Copy of Letter
 Return Envelope

ATTACHMENT 2- Map

