

Hydro One Networks Inc.
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www.HydroOne.com

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Joanne.Richardson@HydroOne.com



Joanne Richardson
Director – Major Projects and Partnerships
Regulatory Affairs

BY COURIER

September 26, 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 Bell Canada at Old Kingston Road

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 question on this application, please contact Pasquale Catalano at (416) 345-5405 or via email at Pasquale.Catalano@HydroOne.com.

Sincerely,

ORIGINAL SIGNED BY PASQUALE CATALANO ON BEHALF OF 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:	Advisor, Regulatory Affairs
Address of Head Office:	483 Bay Street, South Tower, 7th Floor, 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:	Bell Canada
Name of Primary Contact:	Vaughn Windeler
Title/Position:	Implementation Manager
Address of Head Office:	75 Bridge St., Belleville, ON K8N 1L9
Phone:	613-966-2723
Fax:	N/A
Email :	vaughn.windeler1@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 14 poles. See details below.

Asset Listing –

Pole Barcode	Pole Height (ft.)	Year	Quantity	Residual Value (Per Unit)	Sale Price
AZ2QUP	40	1984	1	\$1,090.00	\$661.00
C3CS5T	45	2009	1	\$2,441.00	\$2,012.00
AZ2QSE	45	1984	1	\$1,184.00	\$755.00
AZ2QWY	40	1991	1	\$1,398.00	\$969.00
AZ2QVT	45	1983	1	\$1,133.00	\$704.00
AZ2QRZ	40	1975	1	\$693.00	\$264.00
B2NAAL	40	2009	1	\$2,191.00	\$1,762.00
B2NA9X	40	2009	1	\$2,191.00	\$1,762.00
AZ2QYJ	35	1950	1	\$429.00	\$0.00
BJR2KJ	40	2007	1	\$2,103.00	\$1,674.00
AZ2QPP	35	1950	1	\$429.00	\$0.00
CXCVPG	45	2015	1	\$2,743.00	\$2,314.00
AZ2QMA	40	2001	1	\$1,838.00	\$1,409.00
AZ2QLV	30	1950	1	\$429.00	\$0.00
Total Number of Poles to be Sold			14	Subtotal	\$14,286.00
				HST	\$1,857.18
				Total Cost	\$16,143.18

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 on Old Kingston Rd. in Belleville, immediately west, and east of O'Neill Dr., as shown in Attachment 1.

Attachment 1 – Map – 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 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 attached to 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 \$14,286.00 plus \$1,857.18 HST for a total of \$16,143.18. 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 2.

Attachment 2 – Bell 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) Please see Attachment 2 – Bell 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.

(b) Please see Attachment 2 – Bell Consent Letter.

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.

N/A

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 Pasquale Catalano On Behalf of Joanne Richardson	Print Name of Key Individual Joanne Richardson	Title/Position Director – Major Projects and Partnerships
	Date September-26-19	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 Location



ATTACHMENT 2

Bell Consent Letter



Rossella Fazio
Manager, Asset Optimization
Strategy & Integrated Planning

August 29, 2019

Bell Canada
450 Princess St.,
Kingston, ON K7L 1C2

Attention: Mark Taylor

RE: Sale of Hydro One Networks Inc. Joint Use Poles – Old Kingston Rd., Trenton

This letter is to confirm Hydro One Networks Inc.'s ("Hydro One") agreement to sell 14 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 14 Hydro One poles in Bell's prime exchange area in Trenton, 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 14 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 Old Kingston Rd. in Trenton and details of the assets and locations are found in Attachment 1.

- 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 14 poles to be sold to Bell Canada are located on Old Kingston Rd. in Trenton and are shown in Attachment 1
- The sale price is \$14,286.00 plus \$1,857.18 HST for a total of \$16,143.18
- The following list of poles are to be sold to Bell Canada:

Pole Barcode	Pole Height (ft.)	Year	Quantity	Residual Value (Per Unit)	Sale Price
AZ2QUP	40	1984	1	\$1,090.00	\$661.00
C3CS5T	45	2009	1	\$2,441.00	\$2,012.00
AZ2QSE	45	1984	1	\$1,184.00	\$755.00
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B2NA9X	40	2009	1	\$2,191.00	\$1,762.00
AZ2QYJ	35	1950	1	\$429.00	\$0.00
BJR2KJ	40	2007	1	\$2,103.00	\$1,674.00
AZ2QPP	35	1950	1	\$429.00	\$0.00
CXCVPG	45	2015	1	\$2,743.00	\$2,314.00
AZ2QMA	40	2001	1	\$1,838.00	\$1,409.00
AZ2QLV	30	1950	1	\$429.00	\$0.00
Total Number of Poles to be Sold			14	Subtotal	\$14,286.00
				HST	\$1,857.18
				Total Cost	\$16,143.18

If you are in agreement with these conditions of the sale of the 14 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 14 poles to Bell Canada.

Thank you for your assistance in this matter.

Yours truly,

ORIGINAL SIGNED BY ROSSELLA FAZIO

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

Acknowledgement

I, Vaughn Windeler, of Bell Canada, agree with content, terms and conditions set out in this letter regarding the sale of 14 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: ORIGINAL SIGNED BY VAUGHN WINDELER

Name: Vaughn Windeler
 Title: Specialist, Network Provisioning
 Company: Bell Canada

I have authority to bind the corporation.