

Hydro One Networks Inc.

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Joanne Richardson

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

November 14, 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:

EB-2019-0221 - Hydro One Networks Inc., Request for Leave to Sell Distribution Assets to Southlands Village

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 Southlands Village. 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 the complete application has been filed using the Board's Regulatory Electronic Submission System (RESS).

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:	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:	2390364 Ontario Inc. (Southlands Village)
Name of Primary Contact:	Albert Rumph
Title/Position:	Owner
Address of Head Office:	32 – 43969 Hwy. 3, Wainfleet, ON L0S 1V0
Phone:	289-687-4038
Email :	arumph@sympatico.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, Southlands Village 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 15 kVA overhead transformers, in-service date: 1969
- One 37.5 kVA overhead transformer, in-service date: 1973
- One 50 kVA overhead transformer, in-service date: 1973

- 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, within the Southlands Village Community in Wainfleet, ON. (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 Southlands Village Community.

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

The assets will be used in servicing the same customers, and the customers will remain Hydro One customers. This sale is in accordance with Appendix F of Hydro One’s Conditions of Service, which states that when a Park Owner requests to add load to an existing park or land lease community, they must purchase the assets within their property. This will enable the Park Owner to own and operate the assets within their property.

- 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 Park Owner instead of the utility, but Hydro One will continue to meter and supply electricity to these 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 \$429.28 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.

Signature of Key Individual

ORIGINAL SIGNED BY PASQUALE CATALANO ON BEHALF OF JOANNE RICHARDSON

Title/Position

Director – Major Projects and Partnerships

Date

November 14, 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



August 6, 2019

Hydro One Networks Inc.
Simcoe Field Business Centre
70 Victoria St
Simcoe, Ontario
N3Y 1L5

Re: Southlands Village

It is our understanding that approval is required by the Ontario Energy Board (OEB) for the sale of assets by Hydro One. Southlands Village 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~~. *Southlands Village*
A.R.

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.

Albert Rumph
Name (Owner)

ORIGINAL SIGNED BY ALBERT RUMPH

Signature

Aug 7 / 2019
Date

Name (Owner)

Signature

Date

Southlands Village
43969 Hwy 3, Wainfleet

ATTACHMENT 2- Map

