Hydro One Networks Inc. 7th 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 EMAIL, RESS AND COURIER

April 22, 2020

Ms. Christine E. Long Board Secretary Ontario Energy Board Suite 2700, 2300 Yonge Street P.O. Box 2319 Toronto, ON M4P 1E4

Dear Ms. Long:

Hydro One Networks' Request for Leave to Sell Distribution Assets to Bell Canada located on Haldimand 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 of this application 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 <u>Pasquale.Catalano@HydroOne.com</u>.

Sincerely,

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 <u>market.operations@oeb.gov.on.ca</u>.

The Board's "Performance Standards for Processing Applications" are indicated on the "Corporate Information and Reports" section of the Board's website at <u>www.oeb.gov.on.ca</u>. 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

Address of Head Office:

Phone:

Email :

Fax:

1.1	Name of Applicant				
	Legal name of the applicant:	Hydro One Networks Inc.			
	Name of Primary Contact:	Pasquale Catalano Advisor, Regulatory Affairs			
	Title/Position:				
	Address of Head Office: Phone:	483 Bay Street, South Tower, 7 th Floor, Toronto, M5G 2P5 416-345-5405			
	Fax:	416-345-5866 <u>Regulatory@HydroOne.com</u>			
	Email:				
1.2	Other Party to the Transaction (If more than one attach a list)				
	Name of other party:	Bell Canada			
	Name of Primary Contact:	Craig Stratychuk			
	Title/Position:	Specialist, Network Provisioning			

289-219-3326

craig.stratychuk@bell.ca

N/A

63 King St., Floor 3, St. Catherines, ON L2R 3H5

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
\boxtimes	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 4 poles. See details below.

Asset Listing -

	Pole Height				
Pole Barcode	(ft.)	Year	Quantity	Residual Value (Per Unit)	Sale Price
D4QXWU	35	1970	1	\$452.00	\$23.00
D4QXVP	35	1970	1	\$452.00	\$23.00
D4QXUK	45	1970	1	\$463.00	\$34.00
D35L4X	50	2013	1	\$1,958.00	\$1,529.00
Total Number of Poles to be Sold			4	\$3,325.00	\$1,609.00

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 Haldimand Rd. 53, southeast of Concession 2 Walpole, in Haldimand, ON. The location of these assets is shown in Attachment 1.

Attachment 1 – Maps – Asset Location

2.3 Are the assets surplus to the applicant's needs?

Yes No 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 currently. 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 \$1,609.00 plus \$209.17 HST for a total of \$1,818.17. 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 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) 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

1 Certification and Acknowledgme	ent				
I certify that the information cont	ertify that the information contained in this application and in the documents provided are true and accurate.				
-					
	Print Name of Key Individual	Title/Position			
Signature of Key Individual					
5	Joanne Richardson	Director – Major Projects and			
		Partnerships			
Cont	Date	Company			
	April-22-20				
		Hydro One Networks Inc.			
(Must be signed by a key individual. A key individual is one that is responsible for executing the following fu					

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 - Maps



ATTACHMENT 2

Bell Consent Letter

Tel: (905) 242–4303 Email: <u>arjun.devdas@hydroone.com</u>



Arjun Devdas Manager, Asset Optimization Strategy & Integrated Planning

March 26, 2020

Bell Canada 63 King St., Floor 3 St. Catharines, Ontario L2R 3H5

Attention: Craig Stratychuk

RE: Sale of Hydro One Networks Inc. Joint Use Poles - Haldimand Rd

This letter is to confirm Hydro One Networks Inc.'s ("Hydro One") agreement to sell four (4) poles currently owned by Hydro One to Bell Canada ("Bell"), conditional on 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 has agreed to take ownership of the four (4) Hydro One poles.

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 four (4) 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 Haldimand Rd in Walpole and Rainham 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 four (4) poles to be sold to Bell Canada are located on Concession 2 Walpole and Hadimand Rd 53, and are shown in Attachment 1
- The sale price is \$1609.00 plus \$209.17 HST for a total of \$1,818.17
- The following list of poles are to be sold to Bell Canada:

	Pole Height	Veer	Quantitu	Pacidual Value (Par Unit)	Sale Price – Pole Removal
Pole Barcode	(ft.)	Year	Quantity	Residual Value (Per Unit)	POIE REITIOVAL
D4QXWU	35	1970	1	\$452.00	\$23.00
D4QXVP	35	1970	1	\$452.00	\$23.00
D4QXUK	45	1970	1	\$463.00	\$34.00
D35L4X	50	2013	1	\$1958.00	\$1529.00
Total Number of Poles to be Sold			4	\$3325.00	\$1609.00

If you are in agreement with these conditions of the sale of the four (4) poles, please sign and return this letter at your earliest convenience. On receipt of this signed letter of consent, we will proceed to obtain formal approval from the OEB to transfer the four (4) poles to Bell Canada.

Thank you for your assistance in this matter.

Yours truly,

ORIGINAL SIGNED BY ARJUN DEVDAS

Arjun Devdas Manager, Asset Optimization Strategy & Integrated Planning Hydro One Networks Inc.

Acknowledgement

I, Craig Stratychuk, of Bell Canada, agree with content, terms and conditions set out in this letter regarding the sale of the four (4) poles currently owned by Hydro One to Bell Canada and support Hydro One to proceed with the Section $\frac{86(1)(b)}{10}$ application without a hearing.

Craig Stratychuk

I have authority to bind the corporation.