

Hydro One Networks Inc.

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Joanne.Richardson@HydroOne.com



Joanne Richardson

Director – Major Projects and Partnerships
Regulatory Affairs

BY EMAIL AND RESS

February 12, 2021

Ms. Christine E. Long, Registrar
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 Innpower located on Lockhart Rd., east of Huronia Rd., at the border of the City of Barrie and the Town of Innisfil

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 Innpower located on Lockhart Rd., east of Huronia Rd., at the border of the City of Barrie and the Town of Innisfil, adjacent to Innpower's service territory. 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 (647) 616-8310 or via email at Pasquale.Catalano@HydroOne.com.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joanne Richardson", written in a cursive style.

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:	Innpower Corporation
Name of Primary Contact:	Glen McAllister
Title/Position:	CFO/Treasurer
Address of Head Office:	7251 Yonge St., Innisfil, ON L9S 0J3
Phone:	705-431-6870 ext. 236
Fax:	705-431-5901
Email :	glenm@innpower.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

This section is not applicable. Innpower Corporation (“Innpower”) is a licensed distributor.

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 12 line poles and 2.1 kilometres of overhead conductor. See details below.

Asset Listing –

Bar code	Year	Age	Height/class	Sale Price
BUZC9H	1969	52	45/4	\$1.00
BUZC8C	1969	52	45/4	\$1.00
BUZC7X	1969	52	45/4	\$1.00
BUZC6S	1969	52	45/4	\$1.00
BUZBVS	1969	52	45/4	\$1.00
BUZBTJ	1969	52	45/4	\$1.00
BUZBUN	1979	42	45/4	\$199.00
BUYVVD	2007	14	55/2	\$1,374.00
CL9LGX	2010	11	50/3	\$1,114.00
BUZBPP	1989	32	45/3	\$444.00
CL9LHC	2009	12	50/3	\$1,086.00
BUZC5N	2001	20	45/3	\$740.00

- 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 Lockhart Rd., east of Huronia Rd., at the border of the City of Barrie and the Town of Innisfil, adjacent to Innpower’s service territory.

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.

These assets are currently utilized to provide an express feeder to Innpower from Hydro One. Once sold, they will continue to serve the purpose of servicing Innpower's customers. However, once sold, the assets will be wholly managed by Innpower.

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

Innpower

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

Innpower

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 \$11,832 plus \$1,538.16 HST for a total of \$13,370.16. The sale price of the poles is based on the value of the assets as per the agreed upon residual value tables in the Joint Use agreement. The price of the conductor represents Net Book Value (NBV) of these assets. Innpower has provided its consent to proceed with this sale, as demonstrated in Attachment 2.

Attachment 2: Innpower 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.

Bell Canada is a Joint Use partner on this pole line. Once transferred, Hydro One will terminate the permit with Bell Canada on these poles, and Innpower will have to establish its own permit with Bell Canada to remain a Joint Use partner on this pole line.

- 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 2.

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 assets subject to this sale will continue to serve Innpower customers, and will better enable Innpower to upgrade the assets to meet the needs of their customers. Innpower agrees to maintain Joint Use agreements with the existing partners on these poles. Therefore, there is no material effect on any party other than the purchaser and the seller.**
- (b) **The letter is found in Attachment 2.**


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

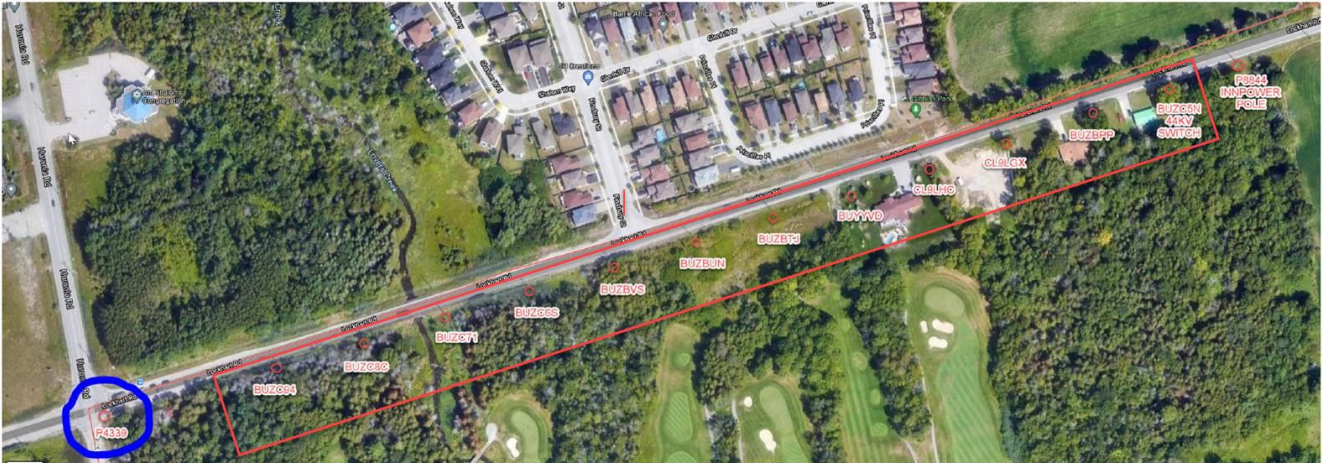
I certify that the information contained in this application and in the documents provided are true and accurate.

Signature of Key Individual 	Print Name of Key Individual Joanne Richardson	Title/Position Director – Major Projects and Partnerships
	Date February-12-21	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



The assets subject to this sale are outlined within the red box in the diagram above.

ATTACHMENT 2

Consent Letter

Jan. 29, 2021

Danny Persaud
InnPower Corporation
7251 Yonge Street
Innisfil, ON, L9S0J3

Re: Sale of Assets

Dear Mr. Persaud:

This letter is to confirm Hydro One Networks Inc.'s ("Hydro One") agreement to sell operating assets on Lockhart Road, east of Huronia Road to InnPower Corporation for \$11,832 plus HST, conditional to the OEB's approval. This also confirms that InnPower Corporation supports Hydro One to proceed with the Section 86(1)(b) application without a hearing.

The assets will be sold, following the OEB's approval, on an "as is, where is" basis, pursuant to Hydro One Networks Inc.'s standard asset purchase and sale agreement. The assets being sold in this transaction are generally described as follows and supported by the attached map (Attachment 1):

- Twelve line poles and 2.1 kilometers of overhead conductor.

If you are in agreement with these conditions of sale, 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 to sell these assets to InnPower Corporation.

Thank you for your assistance in this matter.

Yours truly,

Erfan Hajian
Account Executive
Key Account Management,
Hydro One Networks Inc.

Acknowledgement

I, Danny Persaud, agree with content, terms and conditions set out in this letter regarding the purchase of 12 poles and 2.1 km of overhead conductors on Lockhart road, east of Huronia road for \$11,832 plus HST and support Hydro One to proceed with the Section 86(1)(b) application without a hearing.

Per: **Original Danny Persaud**
Danny Persaud
Chief Operating Officer, InnPower Corporation
I have authority to bind the Corporation.

Attachment 1

The assets being sold in this transaction, 12 poles and 2.1 km of overhead conductors are depicted in red box in the map below:

