

Hydro One Networks Inc.
8th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
www.HydroOne.com



Tel: (416) 345-5722
Fax: (416) 345-5866
Greg.Van@HydroOne.com

Greg Van Dusen
Director - Distribution Applications
Regulatory Affairs

March 24, 2010

BY COURIER

Ms. Kirsten Walli
Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Hydro One Networks' Request for Leave to Sell Distribution Assets to Bell Canada

Hydro One Networks seeks the Board's approval under Section 86(1)(b) of *the Ontario Energy Board Act* ("*the Act*"), 1998, 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*.

The assets being sold in this transaction are described in the attached application and are illustrated in the attached map.

Should you have any questions on this application, please contact Yoon Kim at (416) 345-5228 or via email at Yoon.Kim@HydroOne.com.

Sincerely,

ORIGINAL SIGNED BY GREG VAN DUSEN

Greg Van Dusen

Attach



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	<u>Name of Applicant</u> Legal name of the applicant: Hydro One Networks Inc. Name of Primary Contact: Yoon Kim Title/Position: Applications Analyst, Regulatory Affairs Address of Head Office: 483 Bay Street, 8th Floor, South Tower, Toronto, ON, M5G 2P5 Phone, Fax, Email: 416-345-5228, 416-345-5866, Yoon.Kim@HydroOne.com
1.2	<u>Other Party to the Transaction</u> Name of other party: Bell Canada Name of Primary Contact: Jean Pierre Groulx Title/Position: Implementation Manager Address of Head Office: 469 Coventry Road, Ottawa, ON, K1K 2C5 Phone & Email: 613-742-5743, jean-pierre.groulx@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 8 poles that are 5 – 55ft CL2, 2 – 60ft CL2 and 1 – 40ft CL4.

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 proposed assets are from the intersection of Trim Road at North Service Road 440m to the West to civic address 8865 North Service Road, which is located at lot 30, concession 1, Old Survey in the former Township of Cumberland, now in the City of Ottawa as shown in Attachment 2.

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 the 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 Networks Inc. ("Hydro One") as per the signed Joint Use agreement.

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 \$15,203.⁰⁰ plus GST (Attachment 1 – Letter). The sale price represents the value of the assets as per the agreed upon residual value tables in the Joint Use agreement.

Hydro One is providing a credit on the sale of poles to Bell Canada for the extra height required by Hydro One for their attachments on 4 poles beyond the normal pole space of 10 feet as per the Joint Use agreement. Hydro One requires extra space beyond a Normal Pole and is therefore required to pay for the additional height in the amount of \$227.⁰⁰ per pole.

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) **The letter is found in 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 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) 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

Print Name of Key Individual

Greg Van Dusen Title/Position

Director – Distribution Applications

Date

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 – Letter

ATTACHMENT 2 – Map

Hydro One Networks Inc.
185 Clegg Road
Markham, Ontario L6G 1B7
www.HydroOne.com

Tel: (905) 946-6210
Fax: (905) 946-6215
steven.vance@hydroone.com

Steven Vance
Manager – Integrated Systems Support
Distribution Development



BY COURIER

January 25, 2010

Bell Canada
469 Coventry Road
Ottawa, ON
K1K 2C5
Attention: Jean Pierre Groulx

Re: Sale of Hydro One Assets

Dear Mr. Groulx:

This letter is to confirm Hydro One Networks Inc.'s ("Hydro One") agreement to sell 8 poles currently owned by Hydro One to Bell Canada, conditional to the OEB's approval. This also confirms that Bell Canada supports Hydro One to proceed with the Section 86(1)(b) application without a hearing.

The 8 poles will be transferred, following the OEB's approval, on an "as is, where is" basis, pursuant to Hydro One Networks Inc.'s Joint Use agreement. The assets being sold in this transaction are described as follows and supported by the attached map:

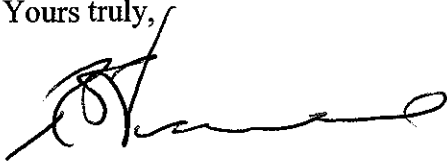
- The physical location of the 8 poles to be sold to Bell Canada start at the intersection of Trim Road at North Service Road and continue 440m west to civic address 8865 North Service Road, which is located at Lot 30, Concession -1 Old Survey, in the Former Township of Cumberland, now City of Ottawa, as shown in Attachment 2.
- The following assets to be sold to Bell Canada are:

Asset	Quantity	Year	Residual Value	Extra Space
POLES				
40 ft Class 4 pole	1	2009	\$1,220.00	
55 ft Class 2 pole	5	2009	\$9,605.00	
60 ft Class 2 pole	2	2009	\$5,286.00	
Less 5 ft additional pole height required to accommodate Hydro One Equipment	4 @ \$227 each	2009		\$(908.00)
Sub Total			\$16,111.00	\$(908.00)
			GST	760.15
			TOTAL	\$15,963.15

If you are in agreement with these conditions of the sale of the 8 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 to transfer the 8 poles to Bell Canada.

Thank you for your assistance in this matter.

Yours truly,



Steven Vance

Acknowledgement

I, Jean Pierre Groulx of Bell Canada, agree with content, terms and conditions set out in this letter regarding the sale of 8 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: 

Jean Pierre Groulx
Implementation Manager
Bell Canada

I have authority to bind the Corporation.



Location of poles to be sold



Lot 30
Concession: 1 Old Survey
Former Township of Cumberland
Now City of Ottawa