

**Hydro One Networks Inc.**

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**Andrew Skalski**

Director – Major Projects and Partnerships  
Regulatory Affairs



BY COURIER

November 15, 2010

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

Dear Ms. Walli:

**Re: Hydro One Networks' Request for Leave to Sell Distribution Assets to Killam Properties Inc. doing business as "Family Paradise Campground"**

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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 Killam Properties Inc. doing business as "Family Paradise Campground". 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 ANDREW SKALSKI

Andrew Skalski

Attachment



## 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  
27<sup>th</sup> 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](mailto: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](http://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:	<b>Hydro One Networks Inc.</b>
Name of Primary Contact:	<b>Yoon Kim</b>
Title/Position:	<b>Applications Analyst - Regulatory Affairs</b>
Address of Head Office:	<b>483 Bay Street, South Tower, Toronto, M5G 2P5</b>
Phone:	<b>416-345-5228</b>
Fax:	<b>416-345-5866</b>
Email:	<b><a href="mailto:Yoon.Kim@HydroOne.com">Yoon.Kim@HydroOne.com</a></b>

#### 1.2 Other Party to the Transaction (If more than one attach a list)

Name of other party:	<b>Killam Properties Inc.</b>
Name of Primary Contact:	<b>Phillip Fraser</b>
Title/Position:	<b>CEO</b>
Address of Head Office:	<b>3700 Kempt Road, Ste. #100, Halifax, Nova Scotia, B3K 4X8</b>
Phone:	<b>902-453-9000</b>
Fax:	<b>902-442-5325</b>
Email :	<b><a href="mailto:pfraser@killamproperties.com">pfraser@killamproperties.com</a></b>

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, Killam Properties Inc. doing business as “Family Paradise Campground” would be 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.

**The assets to be sold consist of two overhead distribution transformers (two – 100 kVA transformers, years 1983 and 1985) at the service location.**

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 at 43835 Hullett Mckillop Line, Lot 12, Concession 12 in Township of McKillop, 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 useful only to serve customers of Family Paradise Campground.**

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

**The assets currently serve a Hydro One customer.**

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 customer. After the sale, the assets will be owned by the customer instead of the utility, but Hydro One will continue to supply electricity to this customer.**

### 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 \$2,188.<sup>02</sup> plus HST. The sale price covers the net book value of the assets.**

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 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	Print Name of Key Individual <b>Andrew Skalski</b>	Title/Position <b>Director – Major Projects and Partnerships</b>
	Date	Company <b>Hydro One Networks Inc.</b>

(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**



Friday, July 30, 2010

Killam Properties Inc.,  
3700 Kempt Road, Ste.#100  
Halifax, Nova Scotia B3K 4X8

Re: **Family Paradise Campground – 43835 Hullett McKillop Line, Walton, On**

Dear Mr. Phillip Fraser;

This letter is to advise you of the progress that is being made regarding the sale of Hydro One assets in the **Family Paradise Campground**.

Based on your response to our initial letter, you have elected to purchase all assets excluding meters.

Within the **Family Paradise Campground** there are **2** transformers with a net book value of **\$2188.02 plus HST** for a total purchase price of **\$2472.46**

Please sign below indicating your intention to purchase the assets as noted above, and return to us in the self addressed envelope. Upon receipt of the signed letter, we will proceed to obtain approval from the Ontario Energy Board. Obtaining Ontario Energy Board (OEB) approval could take 12 - 20 weeks..

After official approvals have been obtained, the **Family Paradise Campground** will proceed with the installation of their own load break switch and bring the electrical system within the park up the Electrical Safety Inspection standards, if required, as noted by the report completed by ESA. Hydro One will install a primary metering unit, to meter the park.

The Killam Properties Inc., agrees to purchase 2 transformers now owned by Hydro One, within the boundaries of the **Family Paradise Campground** for a total price of **\$2188.02 plus HST**.

Signature of Killam Properties Inc., Representative

*Phillip Fraser*  
original signed by  
Phillip Fraser

\_\_\_\_\_  
Name – Phillip Fraser/CEO

\_\_\_\_\_  
Signature

*Aug 19-10*  
\_\_\_\_\_  
Date

Thank you for your co-operation in this matter.

Sincerely,

Tammy Freer - Lines Customer Support Clerk-Clinton  
Beachville - Field Business Centre  
Zone 1

Enc – duplicate copy of letter & Return envelope

**PLEASE SIGN & RETURN**



Friday, July 30, 2010

Hydro One Networks Inc.  
483 Bay Street  
Toronto, Ontario  
M5G 2P5

Attention: Yoon Kim

**Re: Family Paradise Campground – 43835 Hullett McKillop Line, Walton, ON**

It is our understanding that approval is required by the Ontario Energy Board (OEB) for the sale of assets by Hydro One. **Family Paradise Campground/Killam Properties Inc.** 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.

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.

Original signed by  
Phillip Fraser

Name – Mr. Phillip Fraser - CEO

Signature

Date Aug 19-10

Original signed by  
Robert Richardson

Name – Mr. Robert Richardson - CFO

Signature

Date Aug 19-10

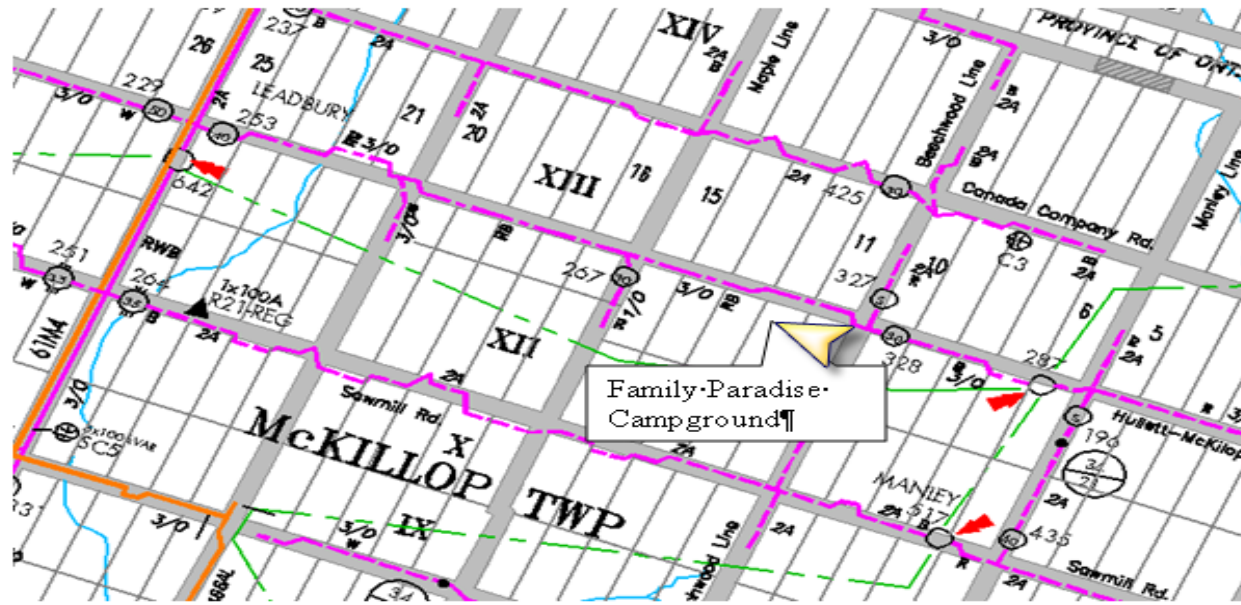
Property:  
**Family Paradise Campground**  
43835 Hullett McKillop Line, Walton, ON N0K 1Z0

**PLEASE SIGN & RETURN**

## **ATTACHMENT 2- Map**

# Killam Properties Inc. – Family Paradise Campground

43835 Hullett Mckillop Line, Con 12, Lot 12, Mckillop Twp.



LEGEND			
SYMBOL	DESCRIPTION		
	3F PRIMARY (10/27.6 KV) 2F PRIMARY		
	3F PRIMARY (8/43.8 KV) 2F PRIMARY		
	3F PRIMARY (4.8/8.32 KV) 2F PRIMARY		
	1F PRIMARY		
	1254 SWITCHING VAULT		
	4948.7 OPENER & NUMBER		
	2348 SWITCH, NUMBER & POLE SIZE		
	1294 AIR BREAK SWITCH		
	4444 ROAD BREAK SWITCH		
	5405 FUSELUGS, NUMBER, TYPE & SIZE		
	PARBIT - STEP DOWN TRANSFORMER		
	CAPACITOR		
	METERING UNIT		
	SUBDIVISION REFERENCE NUMBER		
	OPEN POINT		
	UNDERGROUND CABLE		
	D.S. W/FILE DISTRIBUTION STATION		
	SINGLE REGULATOR & SIZE		
	2-PHASE REGULATOR & SIZE		
	2-PHASE REGULATOR & SIZE		
BY OTHER LEGENDS			
*PROPERTY CO-ORDINATION REQUIRED *MAY NOT EXIST ON THIS FILE			
REFERENCE MARKER ON	TRANSFORMER MARKER	CENTRAL SWITCH	CUSTOMER ADDRESS