

Hydro One Networks Inc.

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483 Bay Street
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www.HydroOne.com

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Joanne.Richardson@HydroOne.com



Joanne Richardson

Acting Director – Major Projects and Partnerships
Regulatory Affairs

BY COURIER

September 15, 2014

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

Dear Ms. Walli:

Hydro One Networks' Request for Leave to Sell Distribution Assets to PowerStream Inc.

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 PowerStream Inc.

The asset being sold in this transaction is described in the attached application and consent letter.

Should you have any questions on this application, please contact Pasquale Catalano at (416) 345-5405 or via email at Pasquale.Catalano@HydroOne.com.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

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 Name of Applicant

Legal name of the applicant:	Hydro One Networks Inc.
Name of Primary Contact:	Pasquale Catalano
Title/Position:	Regulatory Analyst
Address of Head Office:	483 Bay Street, South Tower, Toronto, ON M5G 2P5
Phone:	416-345-5405
Fax:	416-345-5866
Email:	Pasquale.Catalano@HydroOne.com

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

Name of other party:	PowerStream Inc.
Name of Primary Contact:	Colin Macdonald
Title/Position:	Senior Vice President, Regulatory Affairs & Customer Service
Address of Head Office:	161 Cityview Boulevard
Phone:	905-532-4649
Fax:	905-532-4404
Email :	colin.macdonald@powerstream.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 to be sold consist of 20 poles and 3300 meters of conductor. There are 19 poles, with a height of 55 feet, and a stub pole with a height of 40 feet. Attachment 1 has a listing of the subject poles.

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 entirely within the territory of PowerStream Inc. ("PowerStream"), in Thornhill, ON. As shown in Attachment 2, the assets are on Steeles Ave. W., in between Hilda Avenue and Yonge Street.

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 electrical assets are currently used solely to service PowerStream customers. The sale of these assets will allow PowerStream to better integrate these assets into PowerStream's system to better supply its customers.

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

PowerStream's customers

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

PowerStream's 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 of \$17,437.68, plus HST, represents the market value of these assets. The sale price has been agreed to by both parties, as indicated in the consent letter, attached to this application as "Attachment 3".

- 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.

Rogers Communications Inc. ("Rogers") is currently a joint use occupant, and is paying joint use rental fees to Hydro One Networks Inc. ("Hydro One"). As per the letter signed by PowerStream (Attachment 3), PowerStream agrees to take on any Joint Use partners on the poles. Therefore, after the sale of these assets, Rogers will pay joint use rental fees to PowerStream. The sale has no other material effect on any third party.

- 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 3.

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) These electrical assets currently only serve PowerStream customers and will continue to do so post transaction. PowerStream will take over all of the existing Joint Use partners on these poles.
- (b) The letter is found in Attachment 3.

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.

ORIGINAL SIGNED BY JOANNE RICHARDSON

Signature of Key Individual

Print Name of Key Individual **Joanne Richardson**

Title/Position **Acting Director – Major Projects and Partnerships**

Date **September 15, 2014**

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 – List of Subject Poles

Pole	Year	Pole	Year
AEQRWB	1989	AEQRDK	1988
AEQSWF	1989	AEQRCF	1988
AEQSXK	1989	AEQRBA	1988
BLRU3H	1988	AEQRTX	1988
AEQSUV	1988	AEQR6S	1988
AEQN4S	1988	AEQR4J	1988
AEQNSX	1989	AEQR5N	1988
AEQR8C	1988	AEQR3D	1988
AEQR9H	1988	AEQR2Y	1988
AEQRAV	1988	AEQREP	1988

ATTACHMENT 2- Map



ATTACHMENT 3 – Consent Letter from PowerStream

Hydro One Networks
483 Bay Street
Toronto, ON. M5G 2P5
Key Accounts Management
Tel: (416) 345-5315
E-mail: Harneet.Panesar@HydroOne.com



June 6, 2014

Phil Dubeski
PowerStream Inc.
161 Cityview Blvd.
Vaughan, Ont., L4H 0A9

Re: Sale of Asset – Portion of Fairchild M11

Dear Mr. Dubeski;

This letter is to confirm your interest in purchasing twenty (20) Poles and approximately 3300 meters of conductor from Hydro One Networks Inc. (Hydro One) at a purchase price of \$17,437.68.00 (plus HST). Please indicate if PowerStream Inc. (PSI) accepts the purchase price and wishes to conclude the transaction.

The foregoing purchase price does not include any real-estate cost involved in discharging any easements, which may be in place. Such costs are the purchaser's responsibility and details would be addressed if there is an acceptance of the price by PSI.

The sale will be conditional on the following reassurances being given to Hydro One:

- 1.0 Acceptance of the existing joint use tenants, where applicable, whose tenancy with Hydro One will be subsequently terminated upon the sales transaction.
- 2.0 The assumption of any existing or new easements and railway crossings required for the poles and anchors.
- 3.0 PSI supports HONI Application Under Section 86(1)(b) of the *Ontario Energy Board Act, 1998* that with OEB approval these assets will transfer to the ownership of PSI. Also, PSI supports HONI request to process this Application without a hearing.

After PSI acknowledges its interest in purchasing the assets, Hydro One will seek approval of the sale under Section 86 of the OEB Act, as applicable.

The Pole assets being sold are located completely within the service area of PSI and do not serve any Hydro One customers. These 20 Hydro One owned poles are located on the north side of Steeles Ave and between Hilda and Yonge St in the City of Vaughan. The approximate installation dates of the 20 poles are illustrated in the table on the following page. The assets will be sold following OEB approval, on an "as is, where is" basis.

Pole	Year	Pole	Year
AEQRWB	1989	AEQRDK	1988
AEQSWF	1989	AEQRCF	1988
AEQSXK	1989	AEQRBA	1988
BLRU3H	1988	AEQRTX	1988
AEQSUV	1988	AEQR6S	1988
AEQN4S	1988	AEQR4J	1988
AEQNSX	1989	AEQR5N	1988
AEQR8C	1988	AEQR3D	1988
AEQR9H	1988	AEQR2Y	1988
AEQRAV	1988	AEQREP	1988

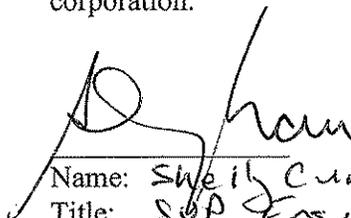
If you are in agreement with these conditions of sale, please sign and return this letter at your earliest convenience. On receipt of your signature below, we will begin the process to obtain the necessary internal and OEB approvals to complete the sale.

Yours truly,

Harnet S. Panesar, P. Eng
Account Executive
Hydro One

Acknowledgement:

I agree with the terms and conditions set out in this letter dated, June 6, 2014 regarding the purchase of 20 Joint-Use Poles, any associated hardware and conductor from Hydro One for a price of \$17,437.68 (plus HST) on an "as is, where is" basis, with no representations or warranties being given (regarding the description of assets). I have authority to bind the corporation.


Name: *Shelly Cunningham*
Title: *SOP, Engineering Services*
Company: *PowerstreamTAC.*