

Hydro One Networks Inc.

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483 Bay Street
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Andrew.skalski@HydroOne.com

Andrew Skalski

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

January 7, 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 Erie Thames Powerlines

Hydro One Networks Inc. 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 Erie Thames Powerlines Corporation. 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 Pasquale Catalano at (416) 345-5405 or via email at Pasquale.Catalano@HydroOne.com.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON FOR ANDREW SKALSKI

Andrew Skalski

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, 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:	Chris White
Name of Primary Contact:	Erie Thames Power Lines Corporation
Title/Position:	President
Address of Head Office:	PO Box 157, 143 Bell Street, Ingersoll, ON, N5C 3K5
Phone:	519-485-1820 ext. 235
Fax:	519-485-5838
Email :	cwhite@eriethamespower.com

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 17 poles, as listed below, and 1800 metres of conductor. The conductor is 1950 vintage.

- 1 – 1944 – 30 ft.**
- 1 – 1949 – 30 ft.**
- 1 – 1949 – 30 ft.**
- 4 – 1962 – 40 ft.**
- 1 – 1971 – 35 ft.**
- 5 – 1971 – 40 ft.**
- 1 – 1971 – 55 ft.**
- 1 – 1975 – 30 ft.**
- 2 – 1975 – 55 ft.**

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 poles are mostly located on Don Street and George Street, between North St. N and Albert Street in Clinton, ON. (Please refer to 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 currently serve Erie Thames Powerlines Corporation (“Erie Thames”) customers and will continue to do so post transaction.

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

The assets are currently used to serve Erie Thames' customers and the customers of Bluewater TV

Cable Ltd “Bluewater”.

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 be used to service Erie Thames’ 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 is \$972 plus HST. The sale price reflects the price as determined by the Joint Use Agreement between both utilities.

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.

Bluewater is currently a joint use occupant on these poles. Erie Thames has signed consent to take over the joint use tenants once the sale is completed (please refer to Attachment 1). Therefore, Bluewater will become Erie Thames’ tenant and pay joint use rent to Erie Thames.

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 currently services Erie Thames customers and will continue to do so. All Joint Use partners will be transferred over and no other changes will take place as a result.

(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.

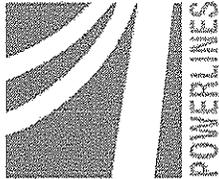
Signature of Key Individual

ORIGINAL SIGNED BY JOANNE RICHARDSON ON BEHALF OF ANDREW SKALSKI

Print Name of Key Individual **Andrew Skalski**
Title/Position **Director – Major Projects and Partnerships**
Date 01/07/2014
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- Letters



ERIE THAMES

Your Home Town Utility



November 8, 2013

VIA Email d.fraser@hydroone.com

Doug Fraser
Account Executive
Hydro One Networks Inc.
483 Bay Street
North Tower, 14th floor
Toronto ON M5G 2P5

Dear Doug,

RE: Sale of Joint Use Poles - Clinton

Further to your letter dated November 4, 2013 regarding Erie Thames Powerlines Corporation ("Erie Thames") purchase of assets from Hydro One Networks Inc ("HONI") please be advised that Erie Thames accepts the purchase price of \$972.00 (plus HST) in total for the assets defined as follows:

The seventeen (17) Joint-Use Poles as defined under the Joint Use Permit # 2013-0032
- George, Don & between Huron Street and Erie Street North in the Town of Clinton.

Erie Thames 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 Erie Thames. Also, Erie Thames supports HONI request to process this Application without a hearing.

Sincerely

ORIGINAL SIGNED BY CHRIS WHITE

Chris White
President
Erie Thames Powerlines Corporation

PO Box 157, 143 Bell Street, Ingersoll ON N5C 3K5
T: 519-485-1820 • TF: 877-850-3128 • Fax: 519-485-5838
www.eriethamespowerlines.ca



Hydro One Networks
483 Bay Street
Toronto, ON. M5G 2P5
Customer Business Relations
Tel: (519) 345-6870
E-mail: d.fraser@hydroone.com



November 4, 2013

Chris White
Erie Thames Power Lines Corporation
P.O. Box 157
143 Bell Street
Ingersoll, ON. N5C 3K5

Re: Sale of the Joint-Use Poles

Dear Mr. White:

This letter is to confirm your interest in purchasing seventeen (17) Joint-Use Poles in the town of Clinton from Hydro One Networks Inc. (Hydro One) at a purchase price of \$972.00 (plus HST). Please indicate if Erie Thames Power Lines Corp. (ETPL) 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 ETPL.

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.

After ETPL 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 Joint-Use Pole assets being sold are located completely within the service area of ETPL and do not serve any Hydro One customers. These seventeen (17) Hydro One owned poles are located near Huron Street and Erie Street North in the town of Clinton. The approximate installation dates of the seventeen 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.

BFEA2B	1962
BFEA3G	1962
BFEA4L	1971
BFEA6V	1944
BFEA5Q	1971
BFEA7A	1975
BFEA8F	1975
BFEA9K	1975
BFEAAY	1949

BFEABD	1971
BFEACJ	1971
BFEAES	1971
BFEADN	1971
BFEAFX	1971
BFEANL	1949
BFEAPV	1962
BFEAQA	1962

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,

Doug Fraser
Account Executive

Acknowledgement:

I agree with the terms and conditions set out in this letter dated, November 4, 2013 regarding the purchase of seventeen Joint-Use Poles, any associated hardware and conductor from Hydro One for a price of \$972.00 (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.

ORIGINAL SIGNED BY CHRIS WHITE

Name: *Chris White*
Title: *PRESIDENT*
Company: *EAIR THAMES POWERLINES*

ATTACHMENT 2- Map

