

Hydro One Networks Inc.

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Andrew Skalski

Director – Major Projects and Partnerships
Regulatory Affairs



BY COURIER

January 25, 2013

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 Woodstock Hydro

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 Woodstock Hydro Services Inc. 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 asset being sold in this transaction is described in the attached application and is 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,

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
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: Pasquale Catalano Title/Position: Regulatory Analyst, Regulatory Affairs Address of Head Office: 483 Bay Street, 8th Floor, South Tower, Toronto, ON, M5G 2P5 Phone, Fax, Email: 416-345-5405, 416-345-5866, pasquale.catalano@HydroOne.com
1.2	<u>Other Party to the Transaction</u> (If more than one attach a list) Name of other party: Woodstock Hydro Services Inc. Name of Primary Contact: Ross McMillan Title/Position: President & CEO Address of Head Office: 16 Graham Street, PO Box 1598, Woodstock, ON, N4S 0A8 Phone, Fax, Email: 519-537-7172, 519-537-5081, rossmcm@woodstockhydro.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 proposed sale involves a section of the Woodstock TS 10M4 feeder comprised of 840 metres of conductor including 3 poles and associated hardware currently owned by Hydro One Networks Inc. (“Hydro One”) to Woodstock Hydro Services Inc. (“Woodstock Hydro”).

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 physical location of the proposed assets to be sold is entirely within Woodstock Hydro’s service territory along Dundas Street (also known as Hwy 2), in the City of Woodstock.

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.

Upon purchase, these assets will be integrated into Woodstock Hydro’s system to better supply its customers. Safety and reliability will be maintained, and operational flexibility can be improved.

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

Woodstock Hydro’s customers

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

Woodstock Hydro’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 \$6,200.00 plus \$806.00 (HST) represents the net book value of the assets. The total sale price is \$7,006.00.

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) As the section of the Woodstock TS 10M4 feeder comprised of 840 metres of conductor including 3 poles and associated hardware is entirely within the purchaser's service territory, the sale has no material effect on any third 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

Andrew Skalski

Title/Position:

Director – Major Projects and Partnerships

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

Hydro One Networks
850 Pond Mills Road
London, ON, N5Z 4R1
Customer Business Relations
Tel: (519) 671-3233
E-mail: alex.urbanowicz@hydroone.com



June 21, 2012

Mr. Ross McMillan - President & CEO
Woodstock Hydro Services Inc.
P.O. Box 1598
16 Graham Street
Woodstock, Ontario
N4S 0A8

Re: Sale of the Joint-Use Poles CC8R7Y, CC8R8D and CC8R9J to Woodstock Hydro

Dear Mr. McMillan;

This letter is to confirm your interest in purchasing three 50 foot, class 3, Joint-Use Poles, CC8R7Y, CC8R8D, CC8R9J, associated hardware and 840 metres of conductor (280m x 3 on the Woodstock TS 10M4 feeder) from Hydro One Networks Inc. at a price of \$6,200.00 (plus HST). Please indicate if Woodstock Hydro Services Inc. accepts the \$6,200.00 (plus HST) total as the purchase price and wishes to conclude the transaction.

The foregoing price does not include any applicable taxes nor 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 Woodstock Hydro Services Inc.

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

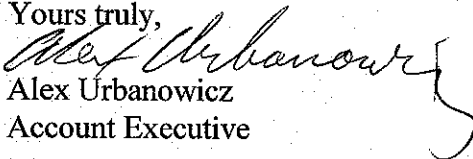
- 1.0 Acceptance of the existing joint use tenants, where applicable, whose tenancy with Hydro One Networks will be subsequently terminated upon the sales transaction.
- 2.0 The assumption of any existing or new easements and railway crossings required for the poles and anchors.

After Woodstock Hydro Services Inc. acknowledges its interest in purchasing the assets, we will seek approval of the sale under Section 86 of the OEB Act, as applicable.

The sections of the Joint-Use Poles CC8R7Y, CC8R8D, CC8R9J assets being sold are located completely within the service area of Woodstock Hydro Services Inc. and do not serve any Hydro One customers. These three (3) Hydro One owned poles are located along Dundas Street in Woodstock and are connected to the Woodstock TS -10M4 feeder. The approximate installation dates of the three poles are: CC8R7Y – 2003; CC8R8D – 1984; CC8R9J – 1984. The assets will be sold following OEB approval, on an "as is, where is" basis.

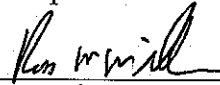
If you are in agreement with these conditions of sale, please sign and return this letter at your earliest convenience. On receipt of your signature below, we will begin the process to obtain the necessary internal and OEB approvals to complete the sale.

Yours truly,


Alex Urbanowicz
Account Executive

Acknowledgement:

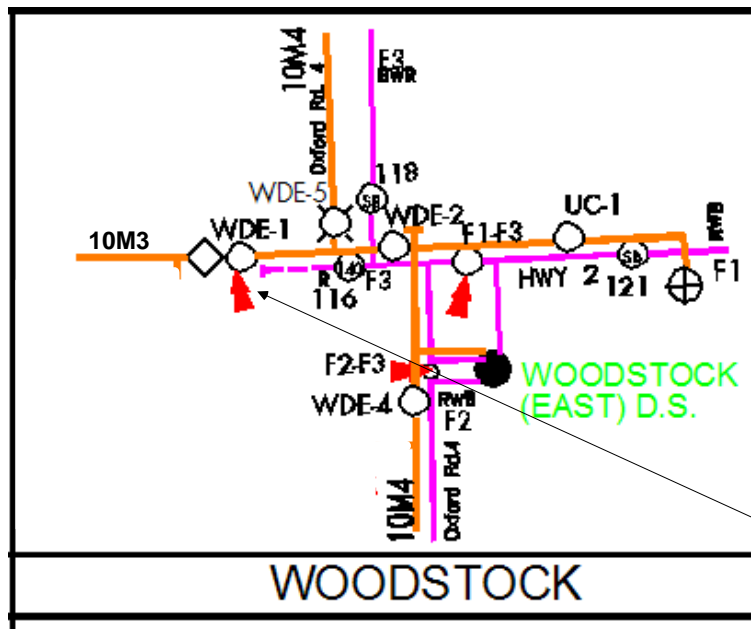
I agree with the terms and conditions set out in this letter dated, June 21, 2012 regarding the purchase of three, 50 foot, class 3, Joint-Use Poles CC8R7Y, CC8R8D, CC8R9J and associated hardware and conductor from Hydro One Networks for a price of \$6,200.00 (plus HST) on an "as is, where is" basis, with no representations or warranties being given (regarding the description of assets). I have authority to bind the corporation.


Name: Ross McMillan
Title: President & CEO
Company: Woodstock Hydro Services Inc.

Cc: Jay Heaman – Manager of Operations

ATTACHMENT 2- Map

Switch will be moved 3 spans East



PME & WDE -1 to be removed, and replaced with WM3-M4