



The Corporation of the City of Peterborough

By-Law Number 20-XXX

Being a By-law to approve certain specific matters related to Council's approval of the sale of substantially all of the assets of Peterborough Distribution Inc. to Hydro One Inc. and the completion of the related transactions

WHEREAS:

1. On December 15, 2016, Council passed By-law 16-173 to authorize City of Peterborough Holdings Inc. ("CoPHI") to sell substantially all of the assets of Peterborough Distribution Inc. ("PDI") to Hydro One Inc. ("Hydro One") for the consideration and pursuant to the terms and conditions referred to therein.
2. Section 2 of By-law 16-173 authorized the City's Chief Administrative Officer ("CAO") and certain City staff "to work with legal counsel and other professional advisors to negotiate and finalize the Asset Purchase Agreement, an Agreement of Purchase and Sale for a new Operations Centre, a Transition Services Agreement and various ancillary agreements, documents, deeds and instruments".
3. Sections 3 and 4 of By-law 16-173 delegated to the Mayor and Clerk authority to execute and deliver agreements in forms approved by City staff and "to do all such acts and things and to execute and deliver all such documents as in their opinion may be necessary or desirable to complete the sale transaction hereby approved and authorized, under the seal of the Corporation as may be necessary."
4. Various agreements were executed by the City on July 31, 2018 to give effect to By-law 16-173 (collectively, "City Agreements") including:
 - a) "Asset Purchase Agreement" between the City, CoPHI, PDI, Peterborough Utilities Services Inc. ("PUSI"), 1937680 Ontario Inc. ("1937680") and Hydro One;
 - b) "Municipal Access Agreement" between the City, Hydro One Networks Inc. ("H1 Networks") and 1937680;
 - c) "Pole Attachment Agreement" between the City, 1937680 and H1 Networks;
 - d) "Site Development Agreement" between the City and H1 Networks;

- e) Agreement of Purchase and Sale between the City as vendor and H1 Networks as purchaser respecting the land and premises known municipally as 1801 Fisher Drive, Peterborough ("1801 Fisher APS"); and
 - f) Agreement of Purchase and Sale between the City as vendor and H1 Networks as purchaser respecting the land and premises known municipally as 290 Jameson Drive, Peterborough ("290 Jameson APS").
5. On January 21, 2019, General Committee reviewed Report CAO19-001 of the CAO "to update Council on the current status, obligations, financial costs and arbitration mechanism of the sale of Peterborough Distribution Inc. to Hydro One". On January 28, 2019, Council approved the Report's recommendation that the report be received for information.
 6. On April 30, 2020, by its Decision and Order EB-2018-0242, the Ontario Energy Board approved the application for approval to amalgamate PDI and PUSI and to transfer the electricity distribution system of PDI to H1 Networks.
 7. On June 1, 2020, PDI and PUSI were amalgamated as PUSI.
 8. As a consequence of the Ontario Energy Board's approval, the completion of the various transactions is now scheduled for Saturday, August 1, 2020 subject to escrow terms to be confirmed that will permit the land-related aspects of the transactions to be completed when the Land Registry Office is next open on Tuesday, August 4, 2020.
 9. Council considers it prudent to more specifically express its approval of various matters in order to ensure an orderly completion of the transactions contemplated by the City Agreements.

NOW THEREFORE, The Corporation of the City of Peterborough ("City") by the Council thereof enacts as follows:

1. By-law 16-173 is amended by deleting its section 6.
2. The amalgamation of PDI and PUSI as PUSI is approved.
3. The land and premises comprising approximately 12.01 acres described in Schedule "A" to the 1801 Fisher APS and known municipally as 1801 Fisher Drive, Peterborough ("1801 Fisher Drive Lands") are declared surplus to municipal requirements.
4. The transfer by the City to H1 Networks of the 1801 Fisher Drive Lands pursuant to the terms of the City Agreements is approved including, without limitation, the terms that contemplate the City's potential reacquisition of the 1801 Fisher Drive Lands.

5. The land and premises comprising approximately 5.0 acres described in Schedule "A" to the 290 Jameson APS and known municipally as 290 Jameson Drive, Peterborough ("290 Jameson Drive Lands") are declared surplus to municipal requirements.
6. The transfer by the City to H1 Networks of the 290 Jameson Drive Lands pursuant to the terms of the City Agreements is approved including, without limitation, the terms that contemplate the City's potential reacquisition of the 290 Jameson Drive Lands.
7. The transfer by PUSI to the City of the lands and premises known municipally as 543 Park Street North, 1562 Sherbrooke Street West and 555 Parkhill Road West pursuant to the terms of the City Agreements is approved.
8. The CAO is authorized to approve such easements from the City to H1 Networks over the lands and premises known municipally as 1500 Water Street North, 1129 Armour Road, 543 Park Street North, 1562 Sherbrooke Street West and 555 Parkhill Road West on such terms as the CAO determines to be necessary to give effect to the City Agreements.
9. The CAO is authorized to approve such releases, discharges and postponements of the City's, CoPHI's, PUSI's and PDI's charges and security interests in property and assets to be transferred to H1 Networks and 1937680 as the CAO determines to be necessary to give effect to the City Agreements.
10. A guarantee by the City in favour of Hydro One and 1937680 pursuant to sections 9.4 and 12.13 of the Asset Purchase Agreement is approved.
11. The CAO, in consultation with the City's Treasurer, is authorized to determine "Net Proceeds" for the purposes of clause 1(i) of By-law 16-173.
12. Without limiting sections 3 and 4 of By-law 16-173, any two of the Mayor, Clerk and CAO are authorized to execute such documents to give effect to the forgoing as the CAO, in consultation with the City's Treasurer and City Solicitor, determines to be necessary to give effect to the City Agreements and the completion of the transactions contemplated thereby.

By-law passed this 22nd day of June, 2020.

Diane Therrien, Mayor

John Kennedy, City Clerk