



EB-2009-0178

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF an application pursuant to
section 86(1)(b) of the *Ontario Energy Board Act*, 1998
by Hydro One Networks Inc. seeking an order granting
Hydro One Networks Inc. leave to sell distribution
assets to Orangeville Hydro Limited

By delegation, before: Theodore Antonopoulos

DECISION AND ORDER

Background

On June 12, 2009, Hydro One Networks Inc. ("Hydro One") filed an application with the Ontario Energy Board under section 86(1)(b) of the *Ontario Energy Board Act*, 1998 for an order granting Hydro One leave to sell distribution assets to Orangeville Hydro Limited ("Orangeville Hydro").

The assets consist of a C-Line 4kV feeder on 18 Hydro One poles. Hydro One retains ownership of the poles and the overbuild 22M3 44kV feeder. The subject feeder is located entirely within the purchaser's service territory.

The Application

Hydro One, with Orangeville Hydro's consent, requested that the Board dispose of this matter without a hearing under section 21(4)(b) of the Act. I find, based on the evidence filed in the application, that no person will be adversely affected in a material way by the outcome of this proceeding. I have therefore disposed of this matter without a hearing.

Section 86(1)(b) of the Act provides that leave of the Board is required before a distributor can “sell, lease or otherwise dispose of that part of its transmission or distribution system that is necessary in serving the public.” The asset that is the subject of this transaction is necessary in serving the public.

Hydro One stated that the asset although nearing end-of-life will be integrated into the Orangeville Hydro system to better supply its customers on a temporary basis. Orangeville Hydro has circuits attached on the Hydro One poles for which an existing Joint-Use Agreement exists and there will be no additional charges to Orangeville Hydro for attachments.

Orangeville Hydro stated that it has been engaged in a voltage conversion program and the area that the Hydro One feeder will be used is scheduled to be converted to its 27.6 kV system in approximately three years. A portion of the feeder will be removed at that point and the balance will be removed three to five years later. The removal cost is estimated to be \$4,500 and the impact on Orangeville customers is expected to be minimal.

Hydro One also stated that the transaction will not affect the safety, reliability, operational flexibility or economic efficiency of Hydro One. As for Orangeville Hydro, safety and reliability will be maintained, and operational flexibility can be improved for the interim period leading up the completion of the voltage conversion program.

Hydro One stated that the nominal consideration of \$2 is more economical than Hydro One retaining responsibility for removing facilities which are nearing end-of-life. The avoided cost is estimated to be \$80,000.

Findings

Based on the evidence, I find that there are benefits to the proposed transaction, and no negative consequences have been identified. I therefore find that it is in the public interest to grant Hydro One leave to sell the assets described above to Orangeville Hydro.

The approval of this application should in no way be construed as providing the Board's view as to the merits of any future rate proposal related to the assets that are the subject of this decision and order.

IT IS ORDERED THAT:

Hydro One Networks Inc. be granted leave to sell to Orangeville Hydro Limited the asset generally described in the application as a C-Line 4kV feeder (1230 meters of 3 phase 3/0 wire) on 18 Hydro One poles located entirely within the purchaser's service territory. Hydro One retains ownership of the poles and the overbuild 22M3 44kV feeder.

ISSUED at Toronto, August 25, 2009

ONTARIO ENERGY BOARD

Original signed by

Theodore Antonopoulos
Manager, Electricity Rate Applications