Ontario Energy Board

Commission de l'énergie de l'Ontario

Ontario

EB-2009- 0348

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 system assets to Ontario Power Generation Inc.

By delegation, before: Jennifer Lea

DECISION AND ORDER

On September 22, 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 certain distribution system assets to Ontario Power Generation Inc.("OPG"). Hydro One subsequently filed a revised application on October 7, 2009.

The assets being sold in this transaction consist of twenty six wood poles located inside the OPG Beck property that are being used to supply load to OPG.

Findings

Hydro One, with OPG's consent, requested that the Board dispose of this matter without a hearing under section 21(4)(b) of the Act. Hydro One confirmed that the two distributors who are affected by the application, namely, Niagara-on-the-Lake Hydro and Niagara Peninsula Energy Inc. are aware of and have no objections to the application. 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 assets that are the subject of this transaction are necessary in serving the public.

The applicant states that the assets are being used to supply load within the OPG Beck property and will continue to be used for that purpose after the transaction.

The applicant further states that there is no impact on Hydro One rates and the transaction will not adversely affect the safety, reliability, quality of service or operational flexibility of Hydro One or OPG.

The twenty six wood poles will be sold for a nominal consideration of $1 plus GST on an "as is, where is" basis. The sale is more economically efficient than the alternative, in which Hydro One would incur metering costs associated with maintaining the assets (in Niagara Peninsula Energy Inc.'s service area) with no Hydro One customers connected or expected to be connected to the poles.

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 OPG.

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. is granted leave to sell to OPG the assets described in the application as twenty six wood poles located inside the OPG Beck property.

ISSUED at Toronto, November 10, 2009

ONTARIO ENERGY BOARD

Original Signed By

Jennifer Lea
Counsel, Special Projects