



EB-2010-0316

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 PowerStream Inc.

By delegation, before: Jennifer Lea

DECISION AND ORDER

Background

On October 21, 2010, 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 PowerStream Inc. ("PowerStream").

The assets consist of a section of the Bradford 44 kV feeder, a neutral conductor, associated hardware and 65 poles. The subject distribution assets are located entirely within the purchaser's service territory in the Township of West Gwillimbury.

The Application

Hydro One, with PowerStream's consent, requested that the Board dispose of this matter without a hearing under section 21(4)(b) of the Act. Hydro One stated that the proposed transaction will affect Bell Canada, Rogers and Atria Networks

(now owned by Rogers). They are joint use occupants on the poles. Hydro One filed documents showing that the joint use occupants have been informed of the proposed transaction and they have not raised any objections. Once the proposed sale is approved by the Board, Hydro One stated that PowerStream will be required to continue the existing Joint Use Agreement with Bell Canada and be required to enter into a new Joint Use agreement with Rogers. 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.

PowerStream stated that the assets are within its service area and they are used to supply PowerStream customers. PowerStream stated that its own operational staff cannot work on the pole line, as the line is owned by Hydro One. This has caused operational delays. Ownership will give PowerStream controlling authority and will eliminate operational delays and confusion between PowerStream and Hydro One. The result will be improved restoration time and reliability for PowerStream customers in the Bradford area.

Hydro One stated that the transaction will not adversely affect the safety, reliability, quality of service, operational flexibility or economic efficiency of Hydro One or PowerStream.

The sale price is \$308,000 plus applicable taxes. This represents a negotiated commercial value. Although this value is above book value and includes future revenue, Hydro One stated that this sale price ensures that Hydro One and PowerStream rate payers are kept whole and there are no rate impacts.

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 PowerStream.

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 PowerStream Inc. a section of the Bradford 44 kV feeder comprising approximately 4.5 km of a three phase 44 kV circuit, 3.5 km of a three phase circuit of 8.32 kV idle under-build including a neutral conductor, associated hardware and 65 poles. The assets are located entirely within PowerStream's service territory in the Township of West Gwillimbury.

ISSUED at Toronto, December 15, 2010

ONTARIO ENERGY BOARD

Original signed by

Jennifer Lea
Counsel, Special Projects