



**EB-2007-0916**

**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 74 of the *Ontario Energy Board Act, 1998* by Hydro  
One Networks Inc. and PowerStream Inc. seeking an order  
to amend their current Electricity Distribution Licences (ED-  
2003-0043 and ED-2004-0420 respectively);

**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 leave to  
sell distribution assets necessary in serving the public to  
PowerStream Inc.

**By delegation, before:** Jennifer Lea

## **DECISION AND ORDER**

### **The Application**

Hydro One Networks Inc. (“Hydro One”) and PowerStream Inc. (“PowerStream”) filed a joint application with the Ontario Energy Board on November 16, 2007 under sections 74 and 86(1)(b) of the *Ontario Energy Board Act, 1998*. The application seeks an order of the Board to amend the applicants' licensed distribution service areas and to approve the sale of distribution assets necessary in serving the public from Hydro One to PowerStream. The Board assigned file number EB-2007-0916 to the application.

The Board issued its Notice of Application and Written Hearing on December 19, 2007. The notice was served by Hydro One upon the customers located on the lands that are the subject of the service area amendment application. No customers responded to the Notice of Application and Written Hearing.

The lands that are the subject of the service area amendment are described in Appendix A to this Decision and Order.

The service area amendments are sought in order to eliminate the long term load transfer arrangements between Hydro One and PowerStream. A long term load transfer is a situation in which a customer is within one distributor's service area but is actually served electricity from a second distributor. In this case, PowerStream is the physical distributor (i.e., provides the physical delivery of electricity to the customers) while Hydro One is the geographic distributor (i.e., licensed to serve the customers).

Section 6.5.4 of the Board's Distribution System Code requires distributors to eliminate long term load transfers before January 31, 2009.

The proposed service area amendments would transfer 68 customers, who are currently connected to PowerStream's distribution system but are located within Hydro One's licensed service area, to PowerStream's licensed service area. Presently, the 68 customers are considered Hydro One customers. After the amendment, these customers will be billed and otherwise served by PowerStream as PowerStream customers.

The assets proposed to be sold by Hydro One to PowerStream in this transaction include poles, towers and fixtures; overhead conductor and devices; underground conductor and devices; and a number of transformers as described in the application. These assets serve, and will continue to serve, the transferred customers.

The service area amendments are granted and Hydro One is granted leave to sell the distribution assets to PowerStream.

### **Reasons**

Both the service area amendment and the sale of assets are prompted by the Board's policy that long term load transfers are to be eliminated by January 31, 2009. The application is consistent with that Board policy.

The distribution rates for the customers being transferred will not increase as a result of the amendment. According to the application, safety, reliability and service quality will not be affected. The application also states that the proposed service area amendments will have no impact on PowerStream's rates in general.

In relation to the sale of the distribution assets from Hydro One to PowerStream, the application states that it is more economically efficient for PowerStream to purchase Hydro One's distribution assets currently serving the customers than it would be for Hydro One to remove those assets and for PowerStream to install new assets at this time. PowerStream on its own schedule will replace the transformers as needed and ensure they are returned to Hydro One for proper disposal of any PCB-contaminated equipment. The sale price for the assets proposed to be sold by Hydro One to PowerStream represents the net book value of the assets.

I find that it is in the public interest to amend the applicants' distribution licences to reflect the transfer of the above referenced customers from Hydro One to PowerStream.

I also 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 opinion or position on whether PowerStream will be allowed to recover the cost of the assets it is purchasing as a result of this Decision and Order, or the cost of the assets it installs in place of the assets it purchases as a result of this Decision and Order, in a future rates application. The prudence of the costs incurred in purchasing the assets or removing the assets and installing new assets will be considered by the panel assigned to the rates case and that panel will determine if the costs should be recovered in rates.

**IT IS THEREFORE ORDERED THAT:**

1. PowerStream's Distribution Licence (ED-2004-0420) specifically, Schedule 1 of the licence is amended to include the lands described in Appendix A to this Decision and Order.
2. Hydro One's Distribution Licence (ED-2003-0043) specifically, Schedule 1 of the licence is amended to exclude the lands described in Appendix A to this Decision and Order.
3. Hydro One is granted leave to sell the assets described above.

**DATED** at Toronto, February 27, 2008.

ONTARIO ENERGY BOARD

*Original signed by*

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Jennifer Lea  
Counsel, Special Projects

## Appendix A

## Legal Description of the Lands that are the Subject of the Service Area Amendment - EB-2007-0916

No.	Area	Legal Description	No.	Area	Legal Description
1	Vaughan	PT LOT 2, CON 7, PTS 6 & 8, 65R24532; KING ; T/W R216549; S/T EASE OVER PT 6, 65R24532 AS IN A24558A AND RENEWED BY R610943.	17	Richmond Hill	PT LT 5 CON 2 KING PT 22 65R531 ; KING
2	Vaughan	PT E 1/2 LT 2 CON 7 KING; PT LT 3 CON 7 KING AS IN R707971; S/T & T/W B35507B ; S/T A24558A KING	18	Richmond Hill	PT LT 5 CON 2 KING PT 22 65R531 ; KING
3	Vaughan	PT LT 2 CON 6 KING AS IN A55205A EXCEPT PTS 1 & 2 65R18259 ; KING	19	Richmond Hill	PT LT 2 CON 2 KING; PT LT 3 CON 2 KING AS IN B16975B, B19261B & A29730A EXCEPT PTS 4 & 5 65R14738 & PTS 8 & 9 65R531 ; KING
4	Vaughan	PT LT 2 CON 6 KING AS IN A55205A EXCEPT PTS 1 & 2 65R18259 ; KING	20	Richmond Hill	LOT 5, CONCESSION 2, KING
5	Vaughan	PT E 1/2 LT 2 CON 7 KING; PT LT 3 CON 7 KING AS IN R707971; S/T & T/W B35507B ; S/T A24558A KING	21	Richmond Hill	PT LT 3 CON 2 KING PT 2 65R5820 ; KING
6	Vaughan	PT E 1/2 LT 2 CON 7 KING; PT LT 3 CON 7 KING AS IN R707971; S/T & T/W B35507B ; S/T A24558A KING	22	Richmond Hill	PT LT 5 CON 2 KING PT 2 65R599 ; KING
7	Vaughan	PT LT 3 CON 6 KING AS IN R184760 ; KING	23	Richmond Hill	PT LT 5 CON 2 KING PT 2 65R599 ; KING
8	Vaughan	PT LT 3 CON 6 KING AS IN R184760 ; KING	24	Vaughan	LOT 2, CONCESSION 2, KING TWNSHP
9	Richmond Hill	PT LT 5 CON 2 KING PT 2 65R599 ; KING	25	Vaughan	PT LT 5 CON 2 KING PT 2 65R599 ; KING
10	Richmond Hill	PT LT 3 CON 2 KING PT 2 65R5820 ; KING	26	Richmond Hill	PT LT 5 CON 2 KING PT 2 65R599 ; KING
11	Richmond Hill	LOT 7, CONCESSION 2, KING	27	Vaughan	PT LT 5 CON 2 KING PT 2 65R599 ; KING
12	Richmond Hill	PT LT 5 CON 2 KING PT 22 65R531 ; KING	28	Aurora	PT LT 14 CON 2 KING AS IN R180958 EXCEPT PT 13 EXPROP PL R233113 ; KING ; SUBJECT TO EXECUTION 95-05877, IF ENFORCEABLE. ; SUBJECT TO EXECUTION 95-06771, IF ENFORCEABLE. ; SUBJECT TO EXECUTION 96-02878, IF ENFORCEABLE. ;
13	Richmond Hill	PT LT 5 CON 2 KING PT 22 65R531 ; KING	29	Aurora	PT LT 14 CON 2 KING AS IN KI25920 EXCEPT PT 11 EXPROP PL R233113 ; KING ; SUBJECT TO EXECUTION 96-06008, IF ENFORCEABLE. ;
14	Richmond Hill	PT LT 5 CON 2 KING PT 2 65R599 ; KING	30	Aurora	PT LT 14 CON 2 KING PT 1 65R2712 ; KING
15	Richmond Hill	PT LT 2 CON 2 KING; PT LT 3 CON 2 KING AS IN B16975B, B19261B & A29730A EXCEPT PTS 4 & 5 65R14738 & PTS 8 & 9 65R531 ; KING	31	Aurora	PT LT 14 CON 2 KING PT 1 65R2712 ; KING
16	Richmond Hill	PT LT 5 CON 2 KING PT 2 65R599 ; KING	32	Aurora	PT LT 15 CON 2 KING PT 2 65R8504 ; KING

No.	Area	Legal Description	No.	Area	Legal Description
33	Aurora	PT LT 15 CON 2 KING PT 1 65R8504 ; KING	51	Aurora	PT LT 22 CON 2 KING; PT LT 23 CON 2 KING PT 1, 65R6742 ; KING
34	Aurora	PT LT 15 CON 2 KING AS IN B47985B EXCEPT PT 8 EXPROP PL R233113 ; KING	52	Aurora	PT LT 22 CON 2 KING; PT LT 23 CON 2 KING PT 1, 65R6742 ; KING
35	Aurora	PT SE1/4 LT 16 CON 2 KING PTS 2 & 3 65R10629; T/W R439940 ; KING	53	Aurora	PT LT 24 CON 2 KING AS IN R629682 T/W R137178 ; KING
36	Aurora	PT SE1/4 LT 16 CON 2 KING PTS 2 & 3 65R10629; T/W R439940 ; KING	54	Aurora	PT LT 24 CON 2 KING AS IN R629682 T/W R137178 ; KING
37	Aurora	PT NE1/4 LT 16 CON 2 KING PT 2 65R15552 ; KING	55	Aurora	PT LT 24, CON 2, (KING) IN R662420 EXCEPT PTS 1 & 2, PL 65R29165, KING
38	Aurora	PT NE1/4 LT 16 CON 2 KING; PT LT 17 CON 2 KING; PT LT 18 CON 2 KING PTS 1, 3 65R15552 ; KING	56	Aurora	LOT 16, CONCESSION 2, KING
39	Aurora	PT NE1/4 LT 16 CON 2 KING; PT LT 17 CON 2 KING; PT LT 18 CON 2 KING PTS 1, 3 65R15552 ; KING	57	Aurora	PT LT 15 CON 2 KING AS IN R166067 EXCEPT R242869 ; KING
40	Aurora	PT LT 18 CON 2 KING PT 1 65R5395 ; KING	58	Aurora	PT LT 15 CON 2 KING AS IN R400615 ; KING
41	Aurora	PT LT 18 CON 2 KING AS IN R602840 ; KING	59	Aurora	PT SE1/4 LT 16 CON 2 KING PT 1 65R3379; T/W R145038 ; KING
42	Aurora	LOT 18, CONCESION 2, KING TWSHP	60	Aurora	PT LT 14 CON 2 KING AS IN B50839B EXCEPT PTS 10 & 12 EXPROP PL R233113; PT LT 15 CON 2 KING AS IN B27240B EXCEPT PT 2 65R9307; T/W R406638 ; KING
43	Aurora	PT LT 18 CON 2 KING PT 1 65R13476 ; KING	61	Aurora	PT LT 14 CON 2 KING AS IN B50839B EXCEPT PTS 10 & 12 EXPROP PL R233113; PT LT 15 CON 2 KING AS IN B27240B EXCEPT PT 2 65R9307; T/W R406638 ; KING
44	Aurora	PT LT 18 CON 2 KING PT 1 65R13476 ; KING	62	Aurora	PT LT 15 CON 2 KING PTS 2, 3 & 4 65R17617; S/T R660937; T/W R660070. ; KING
45	Aurora	PT LT 18 CON 2 KING PT 1 65R609 EXCEPT PT 8 EXPROP PL R233114 ; KING	63	Aurora	PT LT 15 CON 2 KING PT 5 65R17617; T/W R660938 ; KING
46	Aurora	LOT 19, KING TWSHP	64	Aurora	NE1/4 LT 16 CON 2 KING PTS 1,2 65R3343; SE1/4 LT 16 CON 2 KING PTS 3,4 65R3343 ; KING
47	Aurora	LOT 19, KING TWSHP	65	Aurora	PT LT 13 CON 2 KING AS IN R306307 S/T INTEREST IN KI22671, S/T DEBTS IN R306307 ; KING
48	Aurora	PT LT 20 CON 2 KING PT 1 65R1245 EXCEPT PT 11, EXPROP PL R233114 ; KING	66	Aurora	PT SE1/4 LT 16 CON 2 KING PT 1, 65R20034; KING
49	Aurora	PT LT 21 CON 2 KING; PT LT 22 CON 2 KING AS IN B2661B EXCEPT PT 4 B33711B; DESCRIPTION MAY NOT BE ACCEPTABLE IN THE FUTURE AS IN B2661B ; KING	67	Aurora	PT SE1/4 LT 16 CON 2 KING PT 3, 65R20034; T/W R720871 ; KING ; SUBJECT TO EXECUTION 96-00974, IF ENFORCEABLE
50	Aurora	PT LT 22 CON 2 KING; PT LT 23 CON 2 KING PT 1, 65R6742 ; KING	68	Aurora	LOT 21, CONCESSION 2, KING TWNSHP