Ontario Energy Board

Commission de l’énergie de l’Ontario

EB-2007-0966

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 leave to sell distribution system assets to Haldimand County Hydro Inc.

By delegation, before: Jennifer Lea

DECISION AND ORDER

On December 21, 2007, Hydro One Networks Inc. (“HONI”) filed an application with the Ontario Energy Board under section 86(1)(b) of the *Ontario Energy Board Act*, *1998*, for an order granting HONI leave to sell certain assets to Haldimand County Hydro Inc. (“Haldimand”).

The assets being sold in this transaction consist of:

a. part of the 57M3 feeder involving approximately 7.8 km of 27.6 kV line. This line section includes a total of 128 primary poles, plus 11 guy poles, associated insulators and conductors; and
b. the 57M5 feeder out of Jarvis T.S. which involves 3.7 km of 27.6 kV line. This line section includes a total of 53 primary poles, plus 7 guy poles, associated insulators, conductors and 3 air break switches.

A full description of the assets can be found in the application. The line sections are entirely within Haldimand’s service area. Part of the 57M5 line section is currently used to supply customers of Haldimand and LV charges are paid to HONI for this service.

Findings

HONI requested, with Haldimand's consent, 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 assets that are the subject of this transaction are necessary in serving the public.

The application states that the transaction will contribute toward improved reliability and operational flexibility for Haldimand as the utility will be able to upgrade the circuits for the benefit of customers in Haldimand County. The application also states that the transaction will not adversely affect the safety, reliability, quality of service, operational flexibility, or economic efficiency of either the HONI or the Haldimand system.

The total sale price of $145,000 plus GST, represents the negotiated commercial value, and covers the net book value of the assets as well as an element of future revenue. A Joint Agreement of Sale, signed by both parties was provided as part of the application. The application states that there are no rate impacts to either party's customers due to the relatively small dollar value of the transaction.

Based on the evidence, I find that there are benefits to the proposed transaction, and no negative consequences have been identified. It is therefore in the public interest to grant the application.

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:

1. Hydro One Networks Inc. is granted leave to sell to Haldimand County Hydro Inc. assets generally described as:

    a. part of the 57M3 feeder involving approximately 7.8 km of 27.6 kV line. This line section includes a total of 128 primary poles, plus 11 guy poles, associated insulators and conductors; and
    b. the 57M5 feeder out of Jarvis T.S. which involves 3.7 km of 27.6 kV line. This line section includes a total of 53 primary poles, plus 7 guy poles, associated insulators, conductors and 3 air break switches.

Under section 7(1) of the Act, this decision may be appealed to the Board within 15 days.

ISSUED at Toronto, February 28, 2008

ONTARIO ENERGY BOARD

Original signed by

Jennifer Lea
Counsel, Special Projects