



EB-2012-0233

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 Festival Hydro Inc. seeking an order
granting leave to sell distribution system assets to
Loblaw Companies Limited.

By delegation, before: Adrian Pye

DECISION AND ORDER
May 10, 2012

THE APPLICATION

Festival Hydro Inc. ("Festival Hydro") filed an application with the Ontario Energy Board on April 30, 2012 under section 86(1)(b) of the *Ontario Energy Board Act*, 1998 (the "Act") for a Board order granting Festival Hydro leave to sell certain distribution system assets to Loblaw Companies Limited ("Loblaw").

The assets consist of one test block and assorted wiring and cabling (the "metering assets") and are located at 865 Ontario Street, Stratford, Ontario.

The total sale price of \$100.00 (plus HST) represents the net book value of the assets.

FINDINGS

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 Festival Hydro leave to sell the metering assets to Loblaw. The following facts are relevant to this decision.

Section 86(1)(b) of the Act provides that leave of the Board is required before a transmitter or 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 sale is for the purposes of transferring ownership of the metering assets to Loblaw to use these assets for wholesale metering as an Independent Electricity System Operator market participant. Festival Hydro states that the assets proposed to be sold to Loblaw exclusively serve and will continue to serve Loblaw. After the proposed transaction Loblaw will own the assets instead of the utility. Festival Hydro states that the transaction will not adversely affect the safety, reliability, quality of service or operations of the applicant or Loblaw. The proposed transfer will not impact distribution rates of the applicant.

Festival Hydro requested, with Loblaw’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 other 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.

IT IS ORDERED THAT:

1. Festival Hydro Inc. is granted leave to sell one test block and wiring and cabling located at 865 Ontario Street, Stratford, Ontario to Loblaw Companies Limited.

DATED at Toronto, May 10, 2012

ONTARIO ENERGY BOARD

Original signed by

Adrian Pye
Manager
Licence Applications