



EB-2012-0401

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 certain assets to Hydro Ottawa
Ltd.

By delegation, before: Viive Sawler

DECISION AND ORDER
December 20, 2012

THE APPLICATION

Hydro One Networks Inc. (“Hydro One”) filed an application with the Ontario Energy Board on October 9, 2012 under section 86(1)(b) of the *Ontario Energy Board Act*, 1998, for an order granting Hydro One leave to sell certain assets to Hydro Ottawa Ltd. (“Hydro Ottawa”). The Board assigned file number EB-2012-0401 to the application.

The proposed transaction involves the sale of a section of the Hawthorne 48M2 feeder comprised of approximately 10.5 km of 44kV line including conductor, poles and associated hardware as well as the sub-license for the land rights for the transmission right-of-way east of the Rideau River crossing, currently owned by Hydro One to Hydro Ottawa.

The assets are located entirely within Hydro Ottawa’s service area in the City of Ottawa. Upon purchase, these assets will be integrated into Hydro Ottawa’s system to better supply its customers.

FINDINGS

Hydro One requested, with Hydro Ottawa'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.

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 evidence indicates that the assets currently serve and will continue to serve Hydro Ottawa's customers and upon purchase will be integrated into Hydro Ottawa's system to better supply its customers. The applicant further states that the transaction will not adversely affect the safety, reliability, and quality of service of Hydro One or Hydro Ottawa and operational flexibility will be improved.

The total sale price of \$373,000 (plus HST) represents the net book value of the feeder and market value for the land rights. The applicant states that the proposed transaction will have no impact on either Hydro One's or Hydro Ottawa's's electricity distribution rates.

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 Hydro One leave to sell the assets described above to Hydro Ottawa.

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 Hydro Ottawa Inc. the assets described in the application as a section of the Hawthorne 48M2 feeder comprised of approximately 10.5 km of 44kV line including conductor, poles and associated hardware

as well as the sublicense for the land rights for the transmission right-of-way east of the Rideau River crossing.

DATED at Toronto, December 20, 2012

ONTARIO ENERGY BOARD

Original signed by

Viive Sawler
Manager, Conservation and Reporting