



EB-2012-0373

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
Oshawa PUC Networks Inc..

By delegation, before: Viive Sawler

DECISION AND ORDER
Amended April 4, 2013

THE APPLICATION

Hydro One Networks Inc. ("Hydro One") filed an application with the Ontario Energy Board on September 26, 2012 under section 86(1)(b) of the *Ontario Energy Board Act*, 1998, for an order granting Hydro One leave to sell certain distribution system assets to Oshawa PUC Networks Inc. ("OPUCN"). The Board assigned file number EB-2012-0373 to the application. The proposed transaction involves the sale of 20 wood poles, excluding conductors, currently owned by Hydro One to OPUCN. The assets are located on the boundary of Hydro One's and OPUCN's service areas in the City of Oshawa, (on Townline Road N, from KitchenCrt/Badgley Drive until the 4th pole north of Conlin Road E).

Six Hydro One customers and two OPUCN customers are currently served by these assets and will continue to be served by these assets following the transaction. The application states that the sale of these assets will result in the elimination of two Long Term Load Transfer ("LTLT") agreements with no customer transfers completed between Hydro One and OPUCN. The customers are currently customers of OPUCN

but supplied through Hydro One facilities. After the sale, they will remain customers of OPUCN and be supplied through OPUCN facilities, eliminating the LTLT agreements. The impetus for the sale is to enable OPUCN to extend its line north along Townline Rd to Conlin Rd and then west along Conlin Rd where OPUCN plant exists. Hydro One will become a tenant so both utilities will maintain their own customers.

FINDINGS

Hydro One requested, with OPUCN'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 One and OPUCN customers and upon purchase will be integrated into OPUCN's distribution 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 OPUCN and operational flexibility can be improved.

The total sale price of \$7,700 (plus HST) represents a negotiated commercial value. The applicant states that the proposed transaction will have no impact on either Hydro One's or OPUCN'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 OPUCN.

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 Oshawa PUC Networks Inc. the distribution system assets described as 20 wood poles, excluding conductors, located on Townline Road N, from Kitchen Crt/Badgley Drive until the 4th pole north of Conlin Road E.

DATED at Toronto, April 4, 2013

ONTARIO ENERGY BOARD

Original signed by

Viive Sawler
Manager
Conservation and Reporting