



EB-2007-0054

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
Hydro One Networks Inc. leave to sell transmission or
distribution system assets to Norfolk Power Inc.

By delegation, before: Jennifer Lea

DECISION AND ORDER

On February 16, 2007, Hydro One Networks Inc. (“HONI”) filed an application with the Ontario Energy Board (the “Board”) under section 86(1)(b) of the *Ontario Energy Board Act*, 1998, (the “Act”) for an order granting HONI leave to sell certain assets to Norfolk Power Inc. (“Norfolk”).

The assets being sold in this transaction consist of:

- a. twenty-eight poles and associated hardware of the Norfolk TS 22M3 27.6 kV feeder from 8th concession road along Hillcrest Rd. to Regional Rd. #3, in Norfolk County; and
- b. the Norfolk TS 22M2 & 22M5 circuit assets, namely the underground conductor from the breakers inside the transformer station property to the riser pole, and the overhead conductor from the riser pole across the road to Norfolk’s pole on the south side of 13th Street East, in Norfolk County.

These assets are located entirely within the Norfolk service area.

Hydro One requested, with Norfolk’s consent, that the Board’s 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 upon purchase of the assets, Norfolk will benefit by being able to supply its customers along Hillcrest Road more reliably and have capacity for new connections. The evidence indicates that there is no change in any environmental aspects in the areas surrounding the assets being sold, nor will safety and reliability be affected by the sale.

The total sale price is \$21,100 plus GST. The evidence indicates that the sale price, which represents the negotiated value of the assets, covers the net book value of the assets as well as an element of future revenue. The application indicates that the sale price ensures that ratepayers for both HONI and Norfolk are kept whole, and that there are no rate impacts as a result of the proposed 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 Norfolk Power Inc.:
 - a. twenty-eight poles and associated hardware of the Norfolk TS 22M3 27.6 kV feeder from 8th concession road along Hillcrest Rd. to Regional Rd. #3, in Norfolk County; and
 - b. the Norfolk TS 22M2 & 22M5 circuit assets, namely the underground conductor from the breakers inside the transformer station property to the

riser pole, and the overhead conductor from the riser pole across the road to Norfolk's pole on the south side of 13th Street East, in Norfolk County.

2. Hydro One Networks Inc. shall advise the Board of the date on which the sale is completed and shall confirm the purchase price paid.

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

ISSUED at Toronto, April 24, 2007

ONTARIO ENERGY BOARD

Original signed by

Jennifer Lea
Special Advisor, Market Operations