



**EB-2006-0276**

**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 assets to PowerStream Inc.

**By delegation, before:** Mark C. Garner

### **DECISION AND ORDER**

On November 7, 2006, Hydro One Networks Inc. ("Hydro One") 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 leave to sell distribution assets to PowerStream Inc. ("PowerStream").

The assets being sold in this transaction are described as the overhead and underground sections of the M1, M2, M5, M6, M7 and M8 feeders from Buttonville transformer station to the point where PowerStream currently connects to these circuits. These assets are located entirely within PowerStream's service area. The assets currently serve and will continue to serve only PowerStream's customers.

Hydro One, with the support of PowerStream, requested that the Board dispose of this matter without a hearing under section 21(4)(b) of the Act as no other parties will be affected in a material way by the outcome of this proceeding.

Hydro One is granted leave to sell the assets to PowerStream.

## **BACKGROUND**

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 sale price is \$435,000 plus GST. Hydro One submits that the sale price covers the net book value as well as an element of future revenue.

Through the Joint Agreement of Sale, filed by Hydro One as part of its application, Hydro One and PowerStream stated that the proposed transaction is expected to have no adverse impact on the ratepayers of Hydro One and PowerStream. The Joint Agreement of Sale indicated that the sale price ensures that Hydro One’s ratepayers are kept whole. The Joint Agreement of Sale also indicates that PowerStream’s rate base increase due to the purchase of these assets is offset by the avoidance of installing new metering assets at the Buttonville transformer station.

The application indicates that there are no environmental issues associated with this transaction. Hydro One has stated that the sale will not affect the safety, reliability, operational flexibility, or economic efficiency of Hydro One or PowerStream.

## **REASONS**

Pursuant to subsection 6(1) of the Act, I have been delegated the power and duties of the Board with respect to the determination of applications made under section 86(1)(b) of the Act. This Decision and Order is made under the authority of that delegation and is based on the information filed in this proceeding.

Based on the information filed, and in light of the fact that the assets in question are in PowerStream’s service territory and currently serve and will continue to serve only PowerStream’s customers, I find the sale of these assets by Hydro One to be in the public interest.

I also find that no person will be adversely affected in a material way by the outcome of this proceeding, and therefore have disposed of this matter without a hearing.

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 sold under this Decision and Order.

**IT IS ORDERED THAT:**

1. Hydro One Networks Inc. is granted leave to sell to PowerStream Inc., the overhead and underground sections of the M1, M2, M5, M6, M7 and M8 feeders from Buttonville transformer station to the point where Powerstream Inc. currently connects to these circuits.
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 *Ontario Energy Board Act 1998*, this decision may be appealed to the Board within 15 days.

ISSUED at Toronto, November 27, 2006

ONTARIO ENERGY BOARD

*Original signed by*

Mark C. Garner  
Managing Director, Market Operations