



**EB-2006-0151**

**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 Great Lakes Power Limited and Algoma Steel  
Inc. seeking an order granting Great Lakes Power Limited  
leave to sell transmission assets to Algoma Steel Inc.

By delegation, before: Mark C. Garner

## **DECISION AND ORDER**

Great Lakes Power Limited ("GLP") and Algoma Steel Inc. ("Algoma") filed an application dated June 19, 2006 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 GLP leave to sell transmission assets to Algoma.

GLP currently owns and operates the Patrick Street Transmission Station ("TS") in Sault Ste. Marie, Ontario. The Patrick Street TS is situated on lands owned by Algoma. The assets in the proposed transaction are specific existing transformers including associated equipment, the Patrick Street control building and basic transformer equipment protection contained in the control building. The specific assets in the proposed transaction are listed in Schedule A to this decision and order.

GLP and Algoma requested that the Board dispose of this matter without a hearing under section 21(4)(b) of the Act as no person will be adversely affected in a material way by the outcome of this proceeding. Algoma is the only GLP customer served by these assets.

GLP is granted leave to sell the assets to Algoma.

## **BACKGROUND**

Section 86(1)(b) of the Act provides that leave of the Board is required before a transmitter 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.

GLP and Algoma indicated that Algoma is the only GLP customer served from the Patrick Street TS. The assets will be used once the proposed transaction is complete, for Algoma’s own consumption.

GLP and Algoma also submitted that there will be no stranding of assets or effect on the transmission pool and that there will be no adverse effect in terms of prices, energy efficiency, cost effectiveness and the adequacy, reliability and quality of electricity services.

GLP stated that it will be kept whole as it will be selling the assets to Algoma at the accounting Net Book Value of \$536,250 excluding applicable taxes. GLP also stated that it will not need to look to its regulated rate customers for any additional revenue as a result of the proposed transaction. The sale of the assets at the Net Book Value will have no impact on transmission rates and regulated rate customers.

GLP and Algoma also stated that there are no environmental issues associated with the proposed transaction.

## **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 submissions filed in this proceeding.

Based on the submissions filed, I find that the approval of the proposed transaction is consistent with the Board’s objectives under the Act and in the public interest. As attested by both parties, the assets in question are necessary in serving the public.

Based on the submissions filed by GLP and Algoma, and in light of the fact that the assets in question are used and will be used only to serve Algoma, I find no compelling reason why Algoma should not own these assets.

I also find that no person will be adversely affected in a material way by the outcome of this proceeding, and therefore has 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 transferred under this Decision and Order.

Two matters raised in this Application which are not related to section 86 have been referred to the Board's Compliance Office for consideration.

**IT IS ORDERED THAT:**

1. Great Lakes Power Limited is granted leave to sell to Algoma Steel Inc. the specific existing transformers including associated equipment, the Patrick Street control building and basic transformer equipment protection contained in the control building (as is more fully described in schedule A to this decision and order)
2. GLP shall advise the Board of the date on which the sale is completed and shall confirm the purchase price.

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, October 5, 2006

ONTARIO ENERGY BOARD

*Original signed by*

Mark C. Garner  
Managing Director, Market Operations

## **Schedule A**

### **Description of Assets in the Proposed Transaction To Sell Transmission Assets Located in the Patrick Street Transmission Station**

#### **Included Assets:**

##### **Ancillary Equipment**

1. Transformer 10T1 Protections
2. Transformer 301T1 "A" Protection
3. Transformer 301T1 "B" Protection
4. Transformer 301T2 "A" Protection
5. Transformer 301T2 "B" Protection
6. Transformer 301T3 "A" Protection
7. Transformer 301T3 "B" Protection
8. No. 1 Praxair Line Protection
9. No. 2 Praxair Line Protection

##### **Transformers:**

10. 10T1 Transformer, Serial # 284929;
11. 301T1 Transformer, Serial #287234;
12. 301T2 Transformer, Serial #287235;
13. 301T3 Transformer, Serial #285552;
14. T7 Transformer, Serial #282469;
15. T6 Transformer, Serial #282468; and

##### **Building:**

16. Patrick Street TS Control Building including all equipment, protections and cables to/from the building except for the Excluded Assets.

## **Excluded Assets**

The following Vendor owned equipment contained within the Patrick Street Control Building, including associated LV Wiring and cables, shall constitute the Excluded Assets:

1. Breaker Control Panel (222, 225, 228, 235, 242, 245 & 248);
2. Breaker Failure Panel (225, 228 & 235)
3. Breaker Failure Panel (222, 232, 242, 245 & 248)
4. Algoma #1 Line "A" Protection Panel (partial panel);
5. Algoma #1 Line "A" and "B" Protection Panel (not in service);
6. Leigh's Bay Line Protection Panel P2; and
7. Patrick Street TS RTU (slave unit) Cabinet.