



EB-2005-0309

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 electrical assets to Brantford Power Inc.

By delegation, before: Mark C. Garner

DECISION AND ORDER

On June 14, 2005, Hydro One Networks Inc. filed an application with the Ontario Energy Board under section 86(1)(b) of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, Schedule B for an order granting leave to sell electrical assets to Brantford Power Inc.

The assets in question are a 6.4 km (5.5 km and 0.9 km) section of electrical line (the 12M13 LV feeder) consisting of 105 poles, 19,200 metres of conductor, all associated hardware, conductor over and above the 19,200 metres of the line, and poles over and above the 105 poles to Brantford Power. The feeder is one of ten 27.6 kV LV lines connected to Brant Transformer Station. A 5.5 km section is located entirely within the Brant County Power service territory. This line section runs from Brant Transformer Station easterly along Powerline Road and ends one pole west of Brant County Power MS2. Another 0.9 km section runs along Francis Street to Consol Road.

Hydro One, with the support of Brantford Power, requested that the Board dispose of this matter without a hearing under section 21(4)(b) of the Act.

Findings:

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.

According to Hydro One, the *Power Corporation Power Act* formerly required it to own this portion of the line delivering power to Brantford Power. This statutory requirement no longer exists and according to Hydro One, there is no compelling reason for Hydro One to keep ownership of the assets. According to Brantford Power, purchase of the 12M13 feeder is necessary as it must be reconfigured in order to connect to the new Powerline Municipal Transformer Station.

Hydro One has submitted that the sale price of \$300,000 plus GST covers the net book value of the assets. There will be no impact on Hydro One ratepayers or other parties due to this transaction. Hydro One has also indicated that there are no environmental issues associated with it.

Brantford Power has indicated that purchase of the assets would represent a 0.65% increase in its total rate base. There would be a similar increase to reflect the additional costs to maintain and operate the acquired lines. However, the impacts to future customer rates due to this purchase would be negligible as the additional costs are offset by elimination of Hydro One LV charges.

Once Brantford Power purchases the assets, it would effectively replace HONI as the host distributor to Brant County Power. Brant County Power has indicated that it supports the sale of the 12M13 feeder to Brantford Power.

Based on the evidence filed, I 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. I also find that this transaction is consistent with the Board's objectives under the Act and in the public interest.

THE BOARD ORDERS THAT:

1. Hydro One Networks Inc. is granted leave to sell to Brantford Power Inc. a 5.5 km section of electrical line (the 12M13 LV feeder) consisting of 105 wood poles, 19,200 metres of conductor plus all associated hardware, conductor, and poles. This line section runs from Brant Transformer Station easterly along Powerline Road and ends one pole west of Brant County Power MS2. Another 0.9 km section runs along Francis Street to Consol Road.
2. Hydro One Networks Inc. 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, September 7, 2005

ONTARIO ENERGY BOARD

Original Signed By

Mark C. Garner
Managing Director, Market Operations