



**EB-2006-0149**

**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 Tillsonburg Hydro Inc.

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

### **DECISION AND ORDER**

On June 15, 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 surplus assets to Tillsonburg Hydro Inc ("Tillsonburg Hydro").

The assets being sold in this transaction include the Tillsonburg TS 20M8 feeder egress including a 556AL conductor, a 30/ACSR conductor, an underground neutral, 6 dead end insulators, 1-45ft. Class 3 pole, underground cable and terminators, and 6 surge arrestors. These assets are located entirely within the Tillsonburg Hydro service area and only serve Tillsonburg Hydro customers. These assets will continue to only serve Tillsonburg Hydro customers in the future.

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

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

## **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.

Tillsonburg Hydro submitted a letter supporting the transaction.

The sale price is \$20,000 plus GST. This sale price reflects the commercial value of the asset and covers the net book value of the asset.

Hydro One and Tillsonburg Hydro have provided assurance that there will be no negative impact on their respective ratepayers as a result of the proposed sale.

Hydro One has indicated that there are no environmental or customer issues associated with this transaction, and the sale will not affect the safety, reliability, operational flexibility or economic efficiency of Hydro One Networks Inc.

## **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 Hydro One and Tillsonburg Hydro, and in light of the fact that the assets in question are in Tillsonburg Hydro’s service territory and currently serve and will continue to serve only Tillsonburg Hydro customers, I find no compelling reason why Tillsonburg Hydro 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 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 transferred under this Order.

**IT IS ORDERED THAT:**

1. Hydro One Networks Inc. is granted leave to sell to Tillsonburg Hydro Inc., the Tillsonburg TS 20M8 feeder egress including a 556AL conductor, a 30/ACSR conductor, an underground neutral, 6 dead end insulators, 1-45ft. Class 3 pole, underground cable and terminators, and 6 surge arrestors.
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, September 26, 2006

ONTARIO ENERGY BOARD

*Original signed by*

Mark Garner  
Market Operations, Managing Director