



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2015-0338

HYDRO ONE NETWORKS INC.

Application under section 86(1)(b) of the *Ontario Energy Board Act, 1998* for leave to sell distribution assets to Fort Frances Power Corporation.

By Delegation Before: Peter Fraser

December 22, 2015

THE APPLICATION

Hydro One Networks Inc. (Hydro One) filed an application with the Ontario Energy Board (OEB) on November 25, 2015 under section 86(1)(b) of the *Ontario Energy Board Act, 1998* (the Act), for an order granting Hydro One leave to sell certain distribution system assets to Fort Frances Power Corporation (FFPC).

The proposed assets to be sold include 32 poles, 7,011 meters of conductor and 32 transformers. The physical location of the proposed assets to be sold is entirely within FFPC's service territory. A section of Crozier DS F2 – 14.4kV primary conductor runs along Frog Creek Road from 1775 Frog Creek Road on the east to 1725 McIrvine Road to the west in Fort Frances Township. Upon purchase, these assets will be integrated into FFPC's distribution system to supply its customers.

THE PROCESS

Hydro One requested, with FFPC's consent, that the OEB 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 other person will be adversely affected in a material way by the outcome of this proceeding. I have proceeded to decide the application without a hearing pursuant to section 6(4) of the Act.

FINDINGS

Section 86(1)(b) of the Act provides that leave of the OEB is required before a transmitter or 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 evidence indicates that the assets currently serve and will continue to serve customers located in FFPC's service territory. In addition, these assets also serve and will continue to serve customers currently located in Hydro One's service territory. Hydro One and Fort Frances have agreed to transfer Hydro One's customers served by these assets to Fort Frances, conditional to the OEB's approval of the FFPC service area amendment application. Hydro One states that the transaction will not adversely

affect the safety, reliability, quality of service or operations of the applicant or FFPC. The proposed transfer will not impact distribution rates of the applicant.

The sale price for the assets to be transferred is \$102,466.11 plus \$13,320.59 (HST) and represents the net book value of the assets. The total sale price is \$115,786.70.

I find that the proposed transaction is reasonable and is not anticipated to have any negative effects. It is therefore in the public interest to grant Hydro One leave to sell the assets described above to FFPC.

The approval of this application should in no way be construed as providing the OEB'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 THEREFORE ORDERED THAT:

1. Hydro One Networks Inc. is granted leave to sell to Fort Frances Power Corporation 25 transformers, 7,011 meters of conductor and 32 poles located along Frog Creek Road from 1775 Frog Creek Road on the east to 1725 McIrvine Road to the west in Fort Frances Township.

DATED at Toronto December 22, 2015

ONTARIO ENERGY BOARD

Original signed by

Peter Fraser
Vice President, Industry Operations & Performance