



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

DECISION AND ORDER

EB-2015-0364

HYDRO ONE NETWORKS INC.

Application for leave to sell distribution assets to Bell Canada

BY DELEGATION, BEFORE: Peter Fraser
Vice President
Industry Operations & Performance

January 21, 2016

DECISION AND ORDER

THE APPLICATION

Hydro One Networks Inc. (Hydro One) filed an application with the Ontario Energy Board (OEB) on December 15, 2015 under section 86(1)(b) of the *Ontario Energy Board Act, 1998* (Act), for an order granting Hydro One leave to sell distribution system assets to Bell Canada. The assets that are the subject of the proposed transaction are two poles located on 2 Gas Road, Lake Helen FN immediately east of Hwy 11. Specifically, the assets are described as:

1. 2014 – 45 ft, class 3 wood pole;
2. 2014 - 50 ft, class 3 wood pole.

THE PROCESS

Hydro One requested, with Bell Canada's consent, that the OEB dispose of this matter without a hearing. 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 sale is for the purposes of maintaining the ownership balance between Bell Canada and Hydro One as per the Joint Use Agreement. The Joint Use Agreement stipulates that in case Bell Canada wishes to do any work in Bell Canada's prime exchange areas, it must hold ownership of the poles. After completion of the proposed transaction, Bell will own the assets and Hydro One will continue as a tenant on these poles.

The assets will continue to be used for supplying electrical load to existing Hydro One customers. The applicant stated that the transaction will not adversely affect the safety,

reliability, quality of service, operational flexibility or economic efficiency of Hydro One. As well, the applicant stated that there will be no impact on Hydro One's distribution rates as a result of the assets sale.

This is a cash sale. The parties to the transaction agreed that the assets are being sold on an "as is, where is" basis for the sale price of \$2,995.00 plus HST. The sale price represents the value of the assets based on the residual value tables in the Joint Use Agreement. The residual value has been modified to remove the cost of pulling the poles.

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 Bell Canada.

IT IS ORDERED THAT:

1. Hydro One Networks Inc. is granted leave to sell two poles located on 2 Gas Road, Lake Helen FN immediately east of Hwy 11 to Bell Canada.

DATED at Toronto January 21, 2016

ONTARIO ENERGY BOARD

Original signed by

Peter Fraser
Vice President, Industry Operations & Performance