



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

DECISION AND ORDER

EB-2017-0003

HYDRO ONE NETWORKS INC.

Application for leave to sell distribution assets to Bell Canada

BY DELEGATION, BEFORE: Brian Hewson
Vice President
Consumer Protection & Industry Performance

January 26, 2017

DECISION AND ORDER

Hydro One Networks Inc. (Hydro One) filed an application with the Ontario Energy Board (OEB) on January 9, 2017 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 100 poles located in Hydro One's service territory in the Town of Collingwood at various locations.

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 \$158,904.00 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 deduct the cost of removing 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 100 poles located in the Town of Collingwood to Bell Canada.

DATED at Toronto January 26, 2017

ONTARIO ENERGY BOARD

Original signed by

Brian Hewson
Vice President, Consumer Protection & Industry Performance