



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

ORDER

EB-2017-0259

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

August 3, 2017

ORDER

Hydro One Networks Inc. (Hydro One) filed an application with the Ontario Energy Board (OEB) on June 26, 2017 under section 86(1)(b) of the *Ontario Energy Board Act, 1998* (OEB Act), for an order granting Hydro One leave to sell distribution system asset to Bell Canada. The asset that is the subject of the proposed transaction is one pole located at Hwy 627, southside of the railway tracks in Heron Bay west of Marathon, Ontario. Specifically, the asset is described as 2011 – 45 ft. wood pole.

The application is considered without holding a hearing pursuant to section 6(4) of the OEB Act.

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 asset that is the subject of this transaction is 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 Canada will own the pole and Hydro One will continue as a tenant on this pole.

The asset 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. The applicant also stated that there will be no impact on Hydro One’s distribution rates as a result of the asset sale.

This is a cash sale. The parties to the transaction agreed that the pole is being sold on an “as is, where is” basis for the sale price of \$1,805.00 plus HST. The sale price represents the value of the asset based on the residual value tables in the Joint Use Agreement. The residual value has been modified to remove the cost of pulling the pole.

The OEB finds 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 pole described above to Bell Canada.

IT IS ORDERED THAT:

1. Hydro One Networks Inc. is granted leave to sell one 45 ft. pole located at Hwy 627, southside of the railway tracks in Heron Bay west of Marathon, Ontario to Bell Canada.

DATED at Toronto August 3, 2017

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance