



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

DECISION AND ORDER

EB-2018-0015

TORONTO HYDRO-ELECTRIC SYSTEM LIMITED

**Application for leave to sell distribution assets to the Toronto
transit Commission.**

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

February 22, 2018

DECISION AND ORDER

THE APPLICATION

Toronto Hydro-Electric System Limited (Toronto Hydro) filed an application with the Ontario Energy Board (OEB) on January 10, 2018 under section 86(1)(b) of the *Ontario Energy Board Act, 1998* (the Act), for an order granting Toronto Hydro leave to sell certain distribution assets to the Toronto Transit Commission (TTC).

The proposed sale of assets involves distribution assets useful to the TTC for operation of its subway trains, streetcars and other public infrastructure. The assets consist of transformers, rectifiers, switchgears, breakers and supporting ancillary systems, as described in Schedule A, that convert electricity from 60 hertz AC at 13,800 volts to DC at nominal 600 volts.

THE PROCESS

This Decision and Order is being issued without a hearing by the Delegated Authority, 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 proposed assets were always used for the sole purpose of supplying the TTC. Toronto Hydro stated that the TTC has requested ownership of these assets in order to have better control over the equipment maintenance and capital planning process. Toronto Hydro also stated that the TTC is better positioned to manage these highly specialized assets as the TTC already owns and operates equipment of this nature. Toronto Hydro stated that the transaction will not adversely affect the safety, reliability, quality of service or operations of the applicant or the TTC. The proposed sale will have no impact on distribution rates of the applicant.

This is a cash sale. The sale price is a nominal consideration of \$10 (inclusive of HST), which represents the current net book value of the assets less capital contribution previously provided by the TTC.

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 Toronto Hydro leave to sell the assets described in Schedule A to the TTC.

IT IS ORDERED THAT:

1. Toronto Hydro-Electric System Limited is granted leave to sell distribution assets, described in Schedule A attached to this decision and order, to the Toronto Transit Commission.

DATED at Toronto February 22, 2018

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance

SCHEDULE A**DISTRIBUTION ASSETS TO BE TRANSFERRED FROM TORONTO HYDRO –
ELECTRIC SYSTEM LIMITED TO THE TORONTO TRANSIT COMMISSION**

1. Carlaw TS Asset List

369 Carlaw Ave., Toronto

<u>Transformers:</u>	<u>Switchgear Circuit Breakers</u>	<u>Rectifiers:</u>
1 – 1952	2 – 1956	2 – 1984
1 – 1984	3 - 2006	
1 – 2007	4 – 2016	
	1 - 2017	

2. Danforth MS Asset List

2357 Danforth Ave., Toronto

<u>Transformers:</u>	<u>Switchgear Circuit Breakers</u>	<u>Rectifiers:</u>
2 – 1953	2 – 1953	2 – 1984
2 – 1984	8 - 2005	

3. Ossington MS Asset List

137 Winnona Drive, Toronto

<u>Transformers:</u>	<u>Switchgear Circuit Breakers</u>	<u>Rectifiers:</u>	<u>Air Compressors:</u>
2 – 1952	9 – 1955	2 – 1984	2 – 1988
2 – 1984	3 - 2007		
	2 – 2017		

4. Duncan MS Asset List

29 Nelson St., Toronto

<u>Transformers:</u>	<u>Switchgear Circuit Breakers</u>	<u>Rectifiers:</u>
4 – 1952	3 – 1952	4 – 1984
4 – 1984	7 - 1998	
	6 – 2005	
	1 – 2013	
	8 – 2014	
	4 – 2015	